

DECLARATION OF EMERGENCY

Department of Environmental Quality
Office of Environmental Assessment

Log #AQ211E – Revision of Emission Reduction Credits Banking (LAC 33:III.Chapter 6)
Log #AQ215E – Control of Nitrogen Oxides Emissions (LAC 33:III.Chapter 22)

In accordance with the emergency provisions of La. R.S. 49:953(B) of the Administrative Procedure Act, which allows the Department of Environmental Quality (Department) to use emergency procedures to establish rules, and La. R.S. 30:2011, the Secretary of the Department hereby finds that imminent peril to the public welfare exists and accordingly adopts the following emergency rules effective December 20, 2001, for 120 days, or until promulgation of the final rules, whichever occurs first.

This action is necessary to meet the requirements of the United States Environmental Protection Agency (EPA) for granting an extension of the attainment date to prevent the reclassification from “serious” to “severe” of the Baton Rouge ozone nonattainment area. This area includes the parishes of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge.

The State of Louisiana has requested an extension of the attainment date imposed by the 1990 amendments to the Clean Air Act, pursuant to EPA’s transport policy. The state has committed to the EPA to submit the necessary documentation to demonstrate transport and revisions to the State Implementation Plan (SIP) by December 31, 2001. The EPA has provided notice in the *Federal Register* of its intent to review and possibly grant such extension request when submitted or in the alternative to reclassify the Baton Rouge nonattainment area. Failure to submit the transport demonstration and revisions to the SIP would result in the Baton Rouge nonattainment area being reclassified from “serious” to “severe.” A reclassification would have detrimental effects on the operations of the Department, the local economy, and the citizens of the area without any significant benefit, including improved air quality. Several other parties, including local governments, trade organizations, and industry, have expressed agreement with such conclusion.

The proposed SIP revision involves the adoption of certain new rules, including the adoption of air pollution control standards for emissions of oxides of nitrogen (NO_x) and revisions to the existing emission reduction credits banking regulations. These rules were proposed in accordance with regular rulemaking procedures on July 20, 2001, as AQ211 (LAC 33:III.Chapter 6 – Banking) and on August 20, 2001, as AQ215 (LAC 33:III.Chapter 22 – NO_x). During the comment period for the proposed rules the Department received significant public comment and, as a result, is proposing substantive changes to these rules, as AQ211S and AQ215S.

In order that the transport demonstration and revisions to the SIP may be submitted to the EPA in accordance with the commitment previously made, the Department hereby adopts

emergency rules AQ211E and AQ215E. The emergency rules include the proposed rule language that has been modified to include substantive amendments. The emergency rules shall be effective for 120 days or until promulgation of final rules AQ211S and AQ215S, whichever occurs first.

Adopted this 10th day of December, 2001.

J. Dale Givens
Secretary

Title 33
 ENVIROMENTAL QUALITY
 PART III. Air

Chapter 6. Regulations on Control of Emissions Through the Use of Emission Reduction Credits Banking

§601. Background and Purpose

A. Background

1. ~~_____ *Federal Register*, Vol. 51, Number 233, Thursday, December 4, 1986, contained EPA's Emissions Trading Policy Statement; General Principles for Creation, Banking and Use of Emission Reduction Credits. This Policy Statement replaced the original bubble policy (44 FR 71779, December 11, 1979) and describes emissions trading and sets out general principles EPA will use to evaluate emissions trades under the Clean Air Act and applicable federal regulations. Emissions trading includes bubbles, netting, and offsets as well as banking (storage) of emission reduction credits (ERC) for future use. These alternatives do not alter overall air quality requirements; they give states and industry more flexibility to meet those requirements. EPA endorses emissions trading and encourages its sound use by states and industry to help meet the goals of the Clean Air Act more quickly and inexpensively. This regulation does not alter new source review requirements nor exempt owners or operators of stationary sources from compliance with applicable preconstruction permit regulations in accord with 40 CFR 51.18, 51.24, 51.307, 52.21, 52.24, 52.27, and 52.28. Interested parties should, however, be aware that bubble trades are not subject to preconstruction review or regulations where these trades do not involve construction, reconstruction, or modification of source within the meaning of those terms in the regulations listed above.~~

2. ~~_____ *Federal Register*, Vol. 58, Number 34, Tuesday, February 23, 1993, sets forth proposed Economic Incentive Program (EIP) Rules. Pursuant to sections 182(g)(3), 182(g)(5), 187(d)(3), and 187(g) of the 1990 Clean Air Act Amendments (CAAA), the use of EIPs is mandated for ozone nonattainment areas classified as severe or extreme. It is optional in ozone nonattainment areas classified as marginal, moderate, or serious. EIPs, or ERCs also serve to demonstrate that the state can meet certain emission reduction milestones required in the 15 percent VOC Reduction Reasonable Further Progress (RFP) Plan for Ozone Nonattainment Areas.~~

3. ~~_____ An Emission Reductions Credits Program has been identified as a contingency measure for Louisiana's 15 percent VOC Reduction RFP Plan. As such, sources are prohibited from withdrawing any ERCs below the amount claimed by the LDEQ in its 3 percent contingency measure.~~

B. Purpose

A. 1. ~~This rule Chapter establishes the means of enabling stationary sources to identify and preserve or acquire emission reductions for New Source Review (NSR) offsets as well as for use in netting purposes. The pollutants to which this rule applies are nitrogen oxides (NO_x) and volatile organic compounds (VOC). Interpollutant trading, for example, using a NO_x credit to offset a VOC emission, is not allowed.~~

2. ~~_____ Act 570 of the 1993 Regular Legislative Session mandates the enactment of rules, by September 1, 1994, that provide for a vehicle scrappage program within the serious nonattainment area in exchange for emission reduction credits, banking, and trading criteria established by rule.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:874 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 27:

§603. Applicability

A. Major stationary sources are subject to the provisions of this Chapter for the purpose of utilizing emission reductions as offsets in accordance with LAC 33:III.504 and 510. Minor stationary sources located in ozone nonattainment areas or Calcasieu Parish may submit ERC applications for purposes of banking. Sources in EPA-designated ozone nonattainment areas must participate in the emissions banking program in order to utilize emission reductions for netting or as offsets. Other sources located in EPA-designated ozone attainment areas may not participate in the emissions banking program. If a source in an attainment area participates in the emissions banking program, the source must submit the annual submission required by LAC 33:III.613.D. The following sources Any stationary point source at an affected facility in ozone nonattainment parishes is eligible to participate in the emissions banking program: any stationary point source, any area source, and any registered mobile source. The following sources in ozone attainment parishes are eligible to participate in the emissions banking program: any stationary point source and any area source. The rule shall apply to the following pollutants: NO_x and VOC.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:874 (August 1994), amended LR 24:2239 (December 1998), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1622 (September 1999), LR 27:

§605. Definitions

A. The terms used in this Chapter are defined in LAC 33:III.111 of these regulations except as defined within the separate subchapters or with the exception of those terms specifically defined as follows:

Actual Emissions—the actual rate of emissions of an air ~~contaminant~~ pollutant from a source operation, equipment, or control apparatus. Actual emissions shall be calculated using the actual operating hours, production rates, and types of materials used, processed, stored, or combusted during the ~~selected time~~ baseline period. ~~In general, actual emissions as of a particular date shall equal the average rate, in tons per year, at which the unit actually emitted the pollutant during a two-year period which precedes the particular date and which is~~

~~representative of normal major stationary source operation. A different time period shall be allowed upon a determination by the department that it is more representative of normal major stationary source operation. Actual emissions shall be calculated using the unit's actual operating hours, production rates, and types of materials processed, stored, or combusted during the selected time period.~~ Acceptable methods for estimating the actual emissions may include, but are not limited to, any one or a combination of the following:

- a. emission factors based on EPA's Compilation of Air Pollutant Emission Factors (AP-42) or other emission factors approved by the department, if better source specific data ~~is~~ are not available;
- b. fuel usage records, production records, purchase records, material balances, engineering calculations (approved by the department), source tests ~~(only if suitable emission factors are not available)~~, waste disposal records, and emission reports ~~previously submitted to the department~~ such as emission inventory reports, SARA Title III, or MACT compliance certifications, ~~and other methods specifically approved by the administrative authority.~~

~~*Air Contaminant*—any substance, other than water or distillates of air, present in the atmosphere as solid particles, liquid particles, vapors, or gases.~~

~~*Allowable Emissions/Potential to Emit*—the emissions rate of a stationary point source calculated using the rate at which an air contaminant may be emitted into the outdoor atmosphere. This rate shall be based on the maximum rated capacity of the source equipment and 8760 hours per year of operation, (unless the equipment source is subject to federally enforceable limits which that restrict the operating rate, hours of operations, or both).~~ In such cases this rate is based on and the most stringent of the following:

- a. ~~applicable national standards of performance for new stationary sources (NSPS) as set forth in 40 CFR Part 60;~~
- b. ~~applicable national emission standards for hazardous air pollutants (NESHAP) as set forth in 40 CFR Part 61;~~
- c. ~~applicable emission, equipment, and operating standards as set forth in this Chapter, including those with a future compliance date;~~
- d. ~~applicable emission limitations specified in a federally enforceable permit, including limitations (best available control technology [BACT] and lowest achievable emission rate [LAER] requirements) with a future compliance date;~~
- e. ~~any emission limitation in an applicable state implementation plan (SIP); and~~
 - a. an applicable standard set forth in 40 CFR part 60, 61, or 63;
 - b. any applicable state implementation plan (SIP) emissions limitation, including those with a future compliance date;
 - c. applicable emission limitations specified as an enforceable permit condition, including best available control technology (BACT) and lowest achievable emission rate (LAER) requirements, including those with a future compliance date; or
 - d. applicable acid rain SO₂ and NO_x control requirements as defined under Title IV of the 1990 Clean Air Act Amendments and subsequent regulations.

~~*Alter*—to effect an alteration of equipment or control apparatus.~~

~~*Alternative Fuel*—with respect to any source operation, any fuel whose use is not authorized by any permit or, for a source operation without a permit, any fuel not used in the source operation since December 31, 1976.~~

~~*Area Source*—any small residential, governmental, institutional, commercial, or industrial fuel combustion operation; on site solid waste disposal facilities; aircraft vessels, or other transportation facilities, or other miscellaneous sources identified through inventory techniques similar to those described in the Aerometric Emissions Reporting System (AEROS) Manual (see 40 CFR 51.100).~~

~~*Bank*—the repository for ERCs and includes, including the ERC banking register/database.~~

~~*Bank Balance Sheet*—the form that is completed and submitted along with supporting information to the department to request recognition and certification of potentially bankable emission reductions. A banking application is submitted by the owner(s) of the source creating bankable emission reductions or the owner's designated representative.~~

~~*Bankable Emission Reductions*—emission reductions of pollutants and their precursors for which ambient air quality standards exist NO_x or VOC and which that meet the provisions of this rule Chapter at the time of review and approval. Such reductions may be deposited in the ERC bank. Once banked and certified, the emission reductions become ERCs.~~

* * *

[See Prior Text]

~~*Banking Register/Database*—the department document/database that records all ERC deposits, withdrawals, transfers, and transactions.~~

~~*Base Case Inventory*—the aggregate point-source emissions inventory from the nine modeled parishes, as modeled for the 2005 Attainment Plan and Transport Demonstration SIP dated December 2001, which includes 1997 actual emissions from point sources, banked ERC and pending ERC applications where the emission reduction occurred between January 1, 1990 and December 31, 1997, and adjustments for growth.~~

~~*Baseline Emissions*—that the level of emissions during the baseline period, as calculated in accordance with LAC 33:III.607.C.4, that occur prior to an emission reduction, considering all limitations required by applicable federal and state regulations, below which any additional reductions may be counted (credited) for use in trades for use as offsets.~~

~~*Baseline Emission Level*—the quantity of emissions during the defined baseline period that is used in calculating ERCs.~~

~~*Baseline Period*—the period of time over which the historical emissions of a source are averaged. In general, (This period shall be a time period of at least two consecutive years within the five years immediately preceding the date the emission reduction occurred that is determined by the department to be representative of normal source operation. The baseline period may be determined on either a calendar year or consecutive 12 month or consecutive 365 day basis two-year period that precedes the date of the emission change and that is representative~~

of normal major stationary source operation. A different time period shall be allowed upon a determination by the department that it is more representative of normal major stationary source operation.

~~*Bubble*—an alternative emission control plan where two or more existing emission points are regarded as being placed under a hypothetical dome, which is then regarded as a single emission point. Stationary sources under a bubble may reallocate emission decreases and increases, so long as the net effect results in the same or better ambient air quality and the same or less air emissions. Bubbles need not be confined to a single stationary source. Bubbles must meet all the requirements contained in the Federal Emissions Trading Policy Statement (51 FR 43814, December 4, 1986) or other applicable regulations.~~

~~*Criteria Pollutant*—ozone (O₃), PM-10, sulfur oxides measured as sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOC) measured as nonmethane hydrocarbons, carbon monoxide (CO), or lead (Pb), or any other air contaminant for which national ambient air quality standards have been adopted.~~

~~*Emission Offset*—a legally enforceable reduction, approved by the department, in the rate of actual emissions from an existing facility, which reduction is used to offset the increase in allowable emissions of air contaminants from a new or altered facility.~~

~~*Emission Reductions*—the decreases in emissions associated with a physical change or change in the method of operation at a facility.~~

~~*Emission Reduction Credit (ERC)*—an emission reduction ~~certified~~ approved by the administrative authority ~~department~~ in accordance with the requirements of ~~the current regulations~~ this Chapter that ~~is~~ represents a decrease in the quantity of a pollutant discharged from a source. To be valid, emission reduction credits must be surplus, enforceable, permanent, and quantifiable.~~

~~*Emission Reduction Credit Certificate (ERC Certificate)*—a document ~~certifying title~~ indicating to possession of a defined quantity and type of ERCs and issued by the department to the owner(s) identified on the certificate.~~

~~*Emissions Averaging*—defined in section 112(d) of the 1990 CAAA; involves the reduction of hazardous air pollutants within a facility by at least as much as would otherwise occur if the source were controlled point by point.~~

~~*Enforceable*—as applied to emission reductions, means of making emission limits enforceable include source-specific SIP revisions, limitations contained in permits issued in accordance with LAC 33:III.Chapter 5, and EPA-issued or department-issued enforcement instruments such as orders or settlement agreements. each transaction that revises any emission limit must be approved by the state and be federally enforceable. Means of making emission limits federally enforceable include SIP revisions, EPA approved generic emissions trading regulations, and permits issued by states under EPA approved SIP regulations, as well as permits issued by EPA or by states under delegation. ERCs due to trading activities should be incorporated in an enforceable compliance instrument which requires recordkeeping based on the averaging period of the emission limit, so that compliance may easily be determined for any single averaging period.~~

~~*Equipment*—any device capable of causing the emission of an air contaminant into the open air and any stack, chimney, conduit, flue, duct, vent or similar device connected or attached to or serving the equipment.~~

~~*Facility*—the combination of all structures, buildings, equipment, and other operations located on one or more contiguous or adjacent properties owned or operated by the same person~~

~~*Federally Enforceable*—as applied to emission reductions, all limitations and conditions which are enforceable by the U.S. EPA administrator, including the following:~~

- ~~a. — requirements contained in 40 CFR parts 60 and 61 (New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants);~~
 - ~~b. — requirements within any applicable SIP;~~
 - ~~c. — any requirements contained in permits issued pursuant to 40 CFR 52.21 (Prevention of Significant Deterioration) or comparable state regulation (LAC 33:III.509);~~
 - ~~d. — any requirements contained in permits issued pursuant to 40 CFR 52.24 (Nonattainment New Source Review) or comparable state regulation (LAC 33:III.504);~~
 - ~~e. — requirements contained in operating permits issued pursuant to Louisiana permitting programs approved by EPA as meeting the requirements of Title V of the 1990 Clean Air Act Amendments; and~~
 - ~~f. — requirements contained in a Louisiana regulation, a Louisiana operating permit, or a Louisiana issued enforcement instrument which is submitted to EPA and approved as a source specific SIP revision.~~
- ~~ERCs must be federally enforceable before they are allowed as banked emissions credits.~~

~~*Fugitive Emissions*—any emissions of an air contaminant into the open air which do not pass through any stack or chimney.~~

~~*Hazardous Air Pollutant Offset*—the use of an ERC, which is equal or greater in quantity, and which is considered to be more hazardous, to compensate for emission increases of a hazardous air pollutant from a source to avoid being considered a modification according to the requirements of section 112(g) of the 1990 CAAA.~~

~~*Minimum Offset Ratio*—the minimum acceptable ratio of emission offsets from an existing facility to increases in allowable emissions from a new or altered facility.~~

~~*Mobile Emission Reduction Credits (MERCs)*—real, quantified emission reductions generated by a mobile source, approved by the department.~~

Modeled Emissions—for a given point source, the emissions reported in the emissions inventory used in the most recent SIP attainment demonstration base case inventory.

Modeled Parishes—the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana.

Netting—use of an ERC emission reduction created at an existing facility stationary source to compensate for emission increases associated with a proposed modification at the same facility stationary source and to, thus, avoid the requirements of new source review. ERCs Emission reductions used for netting are always internal to the source seeking credit.

~~*Nonpermitted Emissions*—those emissions of an air pollutant into open air from nonpermitted emission sources that are not required to have air pollution permits. Nonpermitted emissions may include emissions from mobile sources, exempt equipment, and "grandfathered" sources that were never required to be permitted under the~~

state's new source review rule.

~~*Offset*—use of an ERC obtained from an existing source or emissions unit to compensate for the increase in emissions from a new or modified source or emissions unit in a nonattainment area in order to ensure that reasonable further progress is maintained. ERCs used for offsetting may be either internal or external to the source seeking credit but must meet the requirements specified in Section 182 of the 1990 Clean Air Act Amendments.~~

Offset—a legally enforceable reduction, approved by the department, in the rate of actual emissions from an existing stationary point source, which is used to compensate for a significant net increase in emissions of NO_x or VOC from a new or modified stationary source in accordance with the requirements of LAC 33:III.504 or 510. To be valid, an offset must meet the definition of ERC.

~~*Permanent*—as applied to emission reductions, the method of achieving the reduced level of emissions is fixed or ongoing. For example, installation of permanent control equipment or elimination of emission units. a reduction shall be guaranteed through an enforceable permit limitation confirming the amount and duration of the decrease or other enforceable mechanism including, but not limited to, permanently dismantling the emissions unit or surrendering the permit. The department may consider an emission reduction whose quantity varies with time to be permanent by converting it to an annual equivalent emission reduction. Only permanent reductions in emissions can qualify for credit.~~

Quantifiable—in reference to emission reductions, the amount, rate, and characteristics of the emission reduction can be estimated through a reliable method. Quantification may be based on emission factors, stack tests, monitored values, operating rates and averaging times, process parameters, production inputs, modeling, or other reasonable measurement practices. The same method of calculating emissions should generally be used to quantify emission levels both before and after the reduction.

~~*Reasonable Further Progress*—annual incremental reductions in emissions of a given air pollutant (including substantial reductions in the early years following approval or promulgation of a SIP and regular reductions thereafter) that are sufficient in the judgment of the U.S. EPA to provide for attainment of the applicable ambient air quality standard within a specified nonattainment area by the attainment date prescribed in the SIP for such area.~~

~~*Registered Mobile Source*—any vehicle registered and insured by the owner (without change of ownership) at an address within the nonattainment area continuously for at least 12 months prior to the date the vehicle is purchased.~~

~~*Scrapping*—the process by which a motor vehicle is permanently removed from service.~~

~~*Shutdown*—the cessation or permanent curtailment of operations or emissions. The date of the emission reduction created by the shutdown is the date of the last actual emissions from the source.~~

~~*Shutdown Credits*—credits resulting from the shutdown of a source.~~

~~*Stack or Chimney*—a flue, pipe, tube, conduit, channel or opening designed and constructed for the purpose of emitting air contaminants into the outdoor air.~~

Stationary Point Source—any building, structure, facility, or installation that emits or may emit any air pollutant subject to regulation under the Clean Air Act. For purposes of this Chapter, stationary point sources shall

include fugitive emissions.

Surplus ~~Emission Reductions~~—emission reductions that are voluntarily created for an emissions unit and have not been required by any ~~local~~, state, or federal law; ~~or regulation, order, or requirement~~ and are in excess of reductions used to demonstrate attainment of ~~federal and state~~ national ambient air quality standards at the time a permit is issued that relies upon the reductions as offsets.

Transfer—the conveyance of an ERC from one entity to another. All "banking" transactions shall be recorded in the ERC banking ~~register~~/database and shown as debits and credits for the appropriate entity(ies).

Unpermitted Sources—~~those sources which emit air pollutants into the ambient air and which are not required to have air permits. Unpermitted sources may include, but are not limited to, mobile sources, area sources, and small sources not required to obtain air permits.~~

Vehicle Scrappage Program—a program in which old vehicles are scrapped in exchange for MERCs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:874 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1622 (September 1999), LR 26:2448 (November 2000), LR 27:

§607. Determination of Creditable Stationary Point Source Emission Reductions

A. ~~Pollutants~~

1. ~~Reductions in the following types of air emissions are eligible for banking pursuant to this rule:~~

- a. ~~volatile organic compounds (VOCs); and~~
- b. ~~nitrogen oxides (NO_x).~~

2. ~~The applicant may choose to speciate the pollutants according to individual compounds upon application to bank the ERCs.~~

B. ~~Eligible Sources.~~ ~~Sources that may create and bank emission reductions include, but are not limited to, the following permitted and unpermitted source types, regardless of the size of the source or the level of emissions:~~

- 1. ~~stationary sources, including point sources, fugitive emission sources, and off shore sources;~~
- 2. ~~mobile sources, including on road and off road sources and marine vessels; and~~
- 3. ~~area and indirect sources, including nonpoint sources and agricultural sources.~~

CA. Acceptable Methods of Creation. Methods of reducing emissions to receive credit under ~~this rule~~ this Chapter include, but are not limited to, the following:

- 1. ~~enforceable~~ installation of add-on control equipment ~~(an actual emission reduction resulting from the installation of a level of control greater than that which is required by regulation, permit, or SIP provision if the applicant accepts a permit provision specifying a lower level of emissions);~~

2. ~~enforceable~~ change in process(es);
3. ~~enforceable~~ change in process inputs, formulations, products or product mix, or raw materials (an actual emission reduction resulting from more effective operation and maintenance of abatement and process equipment if the applicant accepts a permit provision specifying a lower level of emission);
4. ~~enforceable reduction in actual emission rate(s);~~
54. ~~enforceable~~ shutdown of emitting emission units or facilities stationary sources ~~(an actual emission reduction resulting from a permanent shutdown of equipment after January 1, 1990, and which causes a loss of capability to produce emissions that were reported in the 1990 or later emissions inventory);~~
65. ~~enforceable~~ production curtailment(s); and
76. ~~enforceable~~ reductions in operating hours;÷
8. ~~other enforceable methods that might be applicable to eligible source types; and~~
9. ~~enforceable reduction in emissions from area and mobile source types.~~

~~D. Timing of the Emission Reduction. In order to be eligible for banking, emission reductions must occur after December 31, 1989. Creditable emission reductions made prior to December 31, 1989, are not eligible for banking and can only be used for netting.~~

~~E. Geographic Areas. Emissions are banked by geographic areas, usually individual parishes. Separate accounts shall be maintained (either by parish or by EPA designated geographic area) for ozone nonattainment areas and ozone attainment areas. Each area, shall maintain separate accounts for NO_x and for VOCs.~~

FB. Criteria for ERC Approval:

1. Emission reductions shall be recognized as ERCs only after the approval of the department has been obtained. The department shall ~~certify~~ approve emission reductions as ERCs that are determined to be surplus, permanent, quantifiable, and enforceable, as defined in LAC 33:III.605.÷

- a. ~~surplus;~~
- b. ~~permanent;~~
- c. ~~quantifiable; and~~
- d. ~~enforceable.~~

2. ~~Removal of Emission Reduction Credits either for use by a facility or to meet the 15 percent VOC RFP Plan (Section 182(b)(1)(A) of the CAAA) will be done in accordance with LAC 33:III.621.~~

2. Emission reductions may be creditable for use as offsets for up to 10 years from the date of the actual emission reduction to the atmosphere. An ERC is considered to be used upon issuance of a permit that relies upon the ERC as offsets.

GC. Procedures for Calculating the Surplus Emission Reduction. The following procedures shall be used in calculating the quantity of surplus ~~creditable~~ air emission reductions:

1. ~~define the baseline period. The applicant shall first determine the two-year baseline period, as defined in LAC 33:III.605, over which the emission reductions are to be calculated;~~

1. the department shall compare the current total point-source emissions inventory from EIS for the modeled parishes to the base case inventory;
2. calculate actual emissions during the baseline period;
3. calculate adjusted allowable emissions. Allowable emissions shall be adjusted to account for all new or revised federal or state regulations adopted that will require, or would have required, all or a portion of the emission reductions that comprise the ERC application or ERC (in the case of a partial use of a previously approved ERC);
4. quantify baseline emissions as follows:
 - a. for stationary sources located in ozone nonattainment areas:
 - i. if the current total point-source inventory for the modeled parishes exceeds the base case inventory, baseline emissions may not exceed the quantity of emissions attributed to the stationary point source(s) in question in that model. In this case, baseline emissions shall be the lower of actual emissions, adjusted allowable emissions in accordance with Subsection C.3 of this Section, or modeled emissions; or
 - ii. if the current total point-source inventory for the modeled parishes does not exceed the base case inventory, baseline emissions shall be the lower of actual emissions or adjusted allowable emissions in accordance with Subsection C.3 of this Section; and
 - b. for stationary sources located in Calcasieu Parish or any parish redesignated as ozone nonattainment by the EPA after December 20, 2001, baseline emissions shall be the lower of actual emissions or adjusted allowable emissions in accordance with Subsection C.3 of this Section;
- ~~2. quantify baseline emissions. The baseline emissions shall be calculated by determining the actual emissions during each year of the baseline period. The actual emissions for each year of the baseline period shall be averaged to determine the average baseline emission level;~~
- ~~35. calculate allowable future emissions after the reductions occurred; and The applicant shall calculate the allowable future emissions for the source. The allowable emissions shall be based on the maximum emissions capacity of the source except that physical and operational limitations, including air pollution~~

control equipment, restrictions on hours of operation or the type of material combusted, stored, or processed, or other emission restrictions that will be included in a federally enforceable air permit or applicable rules and regulations may be considered in calculating the allowable future emissions; and

46. ~~calculate the emission reduction credit. The ERC shall be calculated by subtracting the allowable future emissions from the baseline emission level.~~calculate the surplus emission reduction by subtracting the allowable emissions after the reduction occurred from the baseline emissions.

D. Adjustments for Netting. Emission reductions used in a netting analysis (i.e., to determine the *net emissions increase* as defined in LAC 33:III.504 or 509, as appropriate) that prevented the increase from being considered "significant" are not eligible for use as offsets. The quantity of emission reductions utilized to "net out" shall not be considered creditable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:877 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1622 (September 1999), LR 28:

§611. Mobile Sources Emission Reductions—Reserved

Repealed.

A. ~~Pollutants. Reductions in the following types of air emissions are eligible for banking pursuant to this rule:~~

1. ~~volatile organic compounds (VOCs); and~~
2. ~~nitrogen oxides (NO_x).~~

B. ~~Eligible Sources. To qualify as emission reduction credits, mobile source emission reductions must meet the same criteria as stationary source emission reductions. The emission reductions from mobile sources must be real, quantifiable, enforceable, surplus, and permanent. Eligible credit generating vehicles must have been registered and insured by the owner (without change of ownership) at an address within the nonattainment area continuously for at least the previous 12 months prior to the date the vehicle is purchased by the program to be eligible for credit. Eligible vehicles are required to be operable (capable of being used or operated) and driven to the designated intake site by the owner or his/her legal representative (or in the case of corporate owned vehicles, a certified agent), on a day pre-arranged by the department. In addition, eligible vehicles must undergo a physical inspection, in accordance with Subsection D of this Section, designed to ensure that major body components have not been removed and that the vehicle could be readily used for normal transportation purposes. The site may be owned or leased by a certified automobile crusher who is licensed and certified by the Used Motor Vehicle and Parts Commission. Vehicle model years 1981 and pre 1982, light duty gas vehicles (LDGVs), and light duty gas trucks (LDGTs) up to 10,000 pounds gross vehicle weight rating (GVWR) will be considered for mobile emission reduction credits (MERCs).~~

C. Calculating Credits

1. ~~Mobile emission reduction credits (MERCs) for VOCs and NO_x shall be issued each year~~

according to the following:

a. ~~the formula below includes emission factors estimated by the department, using the latest version of EPA's mobile source emissions model (MOBILE):~~

~~where:~~

$$MERC = \frac{[(SCRAP - REPLACE) \times MILESC \times 0.000001102]}{DF}$$

~~MERC = mobile emission reduction credit (pounds per year of pollutant);~~

~~SCRAP = emission rate of scrapped vehicle in grams per mile, based on the model year of the scrapped vehicle;~~

~~REPLACE = average in-use vehicle emission rate in grams per mile for year in which vehicle is scrapped;~~

~~MILESC = annual mileage corresponding to model year of scrapped vehicle;~~

~~0.000001102 = conversion factor (grams to tons);~~

~~DF = discount factor, equal to 1.2; or~~

~~b. mobile emission test results certificate or other state-certified/EPA-approved program.~~

~~2. MERC calculations for all model years will be provided, annually, by the department for the method described in Subsection C.1 of this Section. MERCs shall be valid for a period of three years and shall not be traded.~~

~~D. Vehicle Visual Inspection. In order to be eligible for MERCs, each vehicle to be scrapped shall be subjected to a visual inspection prior to scrapping. Inspections shall be conducted by a licensed automobile crusher and information recorded on a form designed by and submitted to the Office of Environmental Services, Permits Division. The physical presence of the following elements shall be included in the inspection and shall be required for approval:~~

- ~~1. exhaust system;~~
- ~~2. bumpers;~~
- ~~3. doors;~~
- ~~4. fenders;~~
- ~~5. side and quarter panels;~~
- ~~6. hood and trunk lid;~~
- ~~7. windshields and windows;~~
- ~~8. seats;~~
- ~~9. instrumentation and gauges; and~~
- ~~10. date of safety inspection sticker.~~

~~E. Automobile Scrappage. All retired vehicles must be scrapped by a certified automobile crusher who is licensed and certified by the Used Motor Vehicle and Parts Commission. Recycling of vehicle parts must be~~

~~done by a recycler/dismantler who is licensed by the Used Motor Vehicle and Parts Commission. Solid, liquid, and gaseous waste generated by vehicle scrappage must be disposed of or recycled in accordance with applicable federal, state, and local laws. At a minimum, scrapping shall entail the permanent destruction or recycling of the following vehicle components:~~

1. ~~fuel metering system:~~
 - a. ~~carburetor and internal parts (or fuel injection system);~~
 - b. ~~air/fuel ratio feedback and control system; and~~
 - c. ~~cold start enrichment system;~~
2. ~~air induction system:~~
 - a. ~~controlled hot air intake system;~~
 - b. ~~intake manifold;~~
 - c. ~~heat riser valve and assembly; and~~
 - d. ~~turbocharger systems;~~
3. ~~ignition system:~~
 - a. ~~distributor and internal parts;~~
 - b. ~~spark advance/retard system;~~
 - c. ~~spark plugs;~~
 - d. ~~ignition coil and/or control module; and~~
 - e. ~~ignition wires;~~
4. ~~evaporative control systems:~~
 - a. ~~vapor storage canister;~~
 - b. ~~vapor liquid separator; and~~
 - c. ~~fuel tank and filler cap;~~
5. ~~positive crankcase ventilation (PCV) system:~~
 - a. ~~PCV; and~~
 - b. ~~oil filler cap;~~
6. ~~exhaust gas recirculation (EGR) system:~~
 - a. ~~EGR valve body, and carburetor spacer if applicable; and~~
 - b. ~~EGR rate feedback and control system;~~
7. ~~air injection system:~~
 - a. ~~air pump;~~
 - b. ~~valves affecting distribution of flow; and~~
 - c. ~~distribution manifold;~~
8. ~~catalyst or thermal reactor system:~~
 - a. ~~catalytic converter and constricted fuel filler neck;~~
 - b. ~~thermal reactor;~~
 - c. ~~exhaust manifold; and~~

d. ~~exhaust portliner and/or double walled exhaust pipe;~~

9. ~~engine:~~

a. ~~cylinder block;~~

b. ~~pistons;~~

c. ~~connecting rods;~~

d. ~~crankshaft;~~

e. ~~valve train; and~~

f. ~~cylinder head;~~

10. ~~transmission:~~

a. ~~all components housed within the transaxle;~~

b. ~~torque converter;~~

c. ~~clutch related components, including flywheel, pressure plate, friction disc, and throw out bearing; and~~

d. ~~all components housed within the transmission case;~~

11. ~~miscellaneous items used in systems and components listed in Subsection E.1-10 of this Section:~~

a. ~~hoses, clamps, fittings, tubing, sealing gaskets or devices, and mounting hardware;~~

b. ~~pulleys, belts, and idlers;~~

c. ~~vacuum , temperature , and time sensitive valves and switches; and~~

d. ~~electronic controls; and~~

12. ~~vehicle frame.~~

F. ~~Recordkeeping Requirements. The following information shall be recorded on a form prepared by the participating automobile crusher and submitted to the Office of Environmental Services, Permits Division in duplicate:~~

1. ~~name, address, license number, and telephone number of the automobile crusher, and name of person(s) conducting vehicle visual inspection;~~

2. ~~vehicle make, vehicle model, vehicle model year, vehicle license plate number, vehicle identification number, vehicle mileage, checklist of vehicle components scrapped, and date of scrapping;~~

3. ~~scrapped vehicle owner's name, address, and telephone number, and vehicle owner's insurance company and policy number;~~

4. ~~copy of Louisiana certificate of title for each scrapped vehicle;~~

5. ~~copy of proof of insurance for each scrapped vehicle; and~~

6. ~~a duplicate copy of the permit to dismantle vehicle and the notice of acquisition.~~

G. ~~Compliance Auditing and Enforcement. The department may audit any files and/or records created to comply with recordkeeping requirements. The department shall reserve the right to inspect facilities, including automobile crushers, for compliance with the requirements specified in this rule during regular business hours,~~

~~Monday through Friday. Department inspectors shall be afforded immediate access to scrapping/dismantling facilities on request. LDEQ will notify the Louisiana Used Motor Vehicle and Parts Commission of any inspections of automobile crushers. Violation of any provisions of this rule, including falsification of information in reports, shall be grounds for the department to disallow or void any MERCs resulting from or associated with the violation and shall be subject to the penalties specified in R.S. 30:2025.~~

~~H.———Geographic Areas. Each bank is limited to a designated ozone nonattainment area, and separate accounts shall be maintained for NO_x and VOCs. Ozone nonattainment areas designated as marginal and above may participate.~~

~~I.———Participation in Mobile Source Emission Reductions Program~~

~~1.———Point source Facilities Obtaining MERCs. Any stationary point source facility in ozone nonattainment areas designated marginal and above may request the purchase of MERCs. The department will develop and maintain a directory of automobile year models/types available and the owners wishing to scrap their vehicles. The facility wishing to purchase MERCs will contact the department and indicate the amount of VOC and/or NO_x emission reduction credits they are seeking. The department will release to that facility the names and telephone numbers of owners sufficient to meet all or part of the desired number of emission reduction credits. It will be the responsibility of the facility to negotiate a fair market value, a minimum of \$450, with the owner of the vehicle. A written statement of that negotiation shall be provided to the Office of Environmental Services, Permits Division signed by both the facility agent and the owner(s) of the vehicle(s) to be scrapped. A check from the facility to the vehicle owner will be submitted with the written statement of negotiation to the department. Upon receipt of the written statement of negotiation and the facility's check to the vehicle owner, the department will arrange for a licensed and certified automobile crusher to accept the designated vehicles for destruction. A department representative will witness the destruction of the vehicle(s) and will release the facility's check to the vehicle owner. The purchased MERCs will be transferred to the facility's ERC bank balance. In the event that vehicle scrappage does not take place after the written statement of negotiation and the check are forwarded to the department, the department will return to the facility the facility's check upon demand.~~

~~2.———Private Entities. (Any private entity wishing to participate in the mobile source emission reduction program without benefit of a list of owners wishing to scrap their vehicles.) It will be the responsibility of the private entity to negotiate a fair market value, a minimum of \$450, with the owner of the vehicle. A written statement of that negotiation shall be provided to the department signed by both the private entity agent and the owner(s) of the vehicle(s) to be scrapped. A check from the private entity to the vehicle owner will be submitted with the written statement of negotiation to the Office of Environmental Services, Permits Division. Upon receipt of the written statement of negotiation and the private entity's check to the vehicle owner, the department will arrange for a licensed and certified automobile crusher to accept the designated vehicles for destruction. A department representative will witness the destruction of the vehicle(s) and will release the private entity's check to the vehicle owner. In the event that vehicle scrappage does not take place after the written statement of negotiation and the check are forwarded to the department, the department will return to the private entity the private entity's check upon demand.~~

~~J. ——— Uses of MERCs. Credit for the emission reductions are applicable for only three years. MERCs can be used as an alternative method of compliance with VOC and NO_x regulations.~~

~~K. ——— Application and Processing Fees. All fees shall be assessed in accordance with the provisions of LAC 33:III. Chapter 2.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:881 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 26:2448 (November 2000), repealed LR 28:

§613. ERC Bank Balance Sheet Recordkeeping and Reporting Requirements

~~A. ——— ERC Bank Balance Sheet. For each applicable pollutant (VOC and NO_x), each owner or operator shall maintain an ERC Bank Balance Sheet which shall include the minimum information of company name, physical location, pollutant, date of latest transaction, permit numbers affected, date of ERC transaction, date of emissions increase/decrease, ERCs deposited (TPY), ERCs relied upon for netting (TPY) ERCs used for offsets (TPY), ERCs available for netting (TPY) and ERCs available for offsets (TPY).~~

A. ——— Recordkeeping Requirements. All records shall be maintained for the life of the ERC and shall be available, upon request, for inspection by the department. Amounts should be specified in tons per year.

1. ——— For each approved ERC certificate or pending ERC application, each owner shall maintain records of the following:

- a. ——— a complete description of all projects that generated or required use of ERCs;
- b. ——— ERC deposits applied for, but not yet approved (i.e., applications);
- c. ——— approved ERC deposits;
- d. ——— ERCs used as offsets;
- e. ——— ERCs that have expired;
- f. ——— ERCs transferred to another party;
- g. ——— adjustments to the ERC balance to account for new emission reduction

requirements and netting in accordance with LAC 33.III.607;

h. ——— the date of each transaction (for applications, the date on which the application was submitted; for deposits, the date the ERC Certificate was issued; for ERC used as offsets, the date on which the permit was issued that relied upon the ERC as offsets; for transfers, the date of sale; for adjustments, the date on which a regulation was promulgated that required, or would have required, all or a portion of the emission reductions that comprise the ERC or ERC application, or the date on which the permit was issued that relied upon a reduction (that was either banked as ERC or part of an ERC application) to “net out”); and

- i. ——— the current ERC balance.

2. ——— For each emission reduction that will be part of an ERC bank application or permit application for construction or modification that requires offsets, the owner shall maintain records of the following:

- a. ——— the year(s) determined to be the baseline period;

b. actual emissions (TPY) before the start-up of the project as evaluated over the baseline period;

c. allowable emissions for the affected sources;

d. the date of the actual emissions decrease;

e. allowable emissions or proposed allowable emissions, as appropriate, after the project (TPY);

f. the emission change; and

g. any emission reductions that are required or would have been required by all applicable federal and state regulations promulgated before and after the emission reduction.

B. ~~Netting and Offsets. In order to keep track of all transactions and the ERC balances and to prevent an ERC from being used for both netting and offsets, the following procedures shall be followed:~~

1. ~~each ERC that is created is assigned an item number;~~

2. ~~each transaction is shown on a separate line under the appropriate item number;~~

3. ~~ERCs that are relied upon for netting are deducted from the balance available for offsets but not from the balance available for netting (since all emission increases and decreases are included in the contemporaneous period); and~~

4. ~~ERCs that are used for internal or external offsets are deducted from both balances.~~

C. ~~Recordkeeping Requirements. Each owner or operator shall maintain records on all ERCs deposited in the ERC banking database. This information shall be available, upon request, for inspection by the administrative authority. The records shall be maintained for the life of the ERC and shall include the minimum information: permit number, date permit issued, date of start up of the increase/decrease, emissions (actual) before the start up (TPY), emissions (allowable) after the project (TPY), emission change for the project, creditable increases/decreases (TPY), brief description of project, and creditability of project. Creditability of projects shall be defined by all applicable regulations (RACT, NSPS, etc.), emissions before the project (baseline period, hours/year average, percentage of capacity, fuel usage), and emissions after the project (lower of potential or allowable emissions).~~

D. ~~Schedule. All applications for banking ERCs in the parishes of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge where the emission reductions occurred before August 20, 1994, must have been submitted prior to February 20, 1995. First time applications for banking ERCs for attainment parishes may be submitted at any time. If a parish is redesignated as ozone nonattainment by the EPA, applications for banking ERCs for those parishes must be submitted within six months after the effective date of the EPA designation. All applications for banking ERCs where the emission reductions occurred after the date this banking rule was adopted for an area shall be submitted by March 1 following the year in which the reduction occurred. The balances (i.e., the balance available for netting and the balance available for offsets) from the ERC bank balance sheets of Subsection A of this Section shall be submitted to the department by March 1 of each year together with the certification specified in Subsection E of this Section. All submittals required by this Subsection must be submitted to the Office of Environmental Services, Permits Division. All emission reductions must meet the timing~~

~~restrictions set forth in LAC 33:III.607.D in order to be eligible for banking as ERCs.~~

B. Reporting Requirements

1. All emission reduction applications must meet the timing restrictions set forth in LAC 33:III.615.A and B in order to be eligible for banking as ERCs.

2. An annual report summarizing all records required by Subsection A of this Section shall be submitted to the department by March 31 of each year. This submittal shall be certified as specified in Subsection C of this Section and submitted to the Office of Environmental Services, Permits Division, in a format specified by the department.

3. Sources located in EPA-designated ozone attainment areas subject to LAC 33:III.510 shall submit the summary report required by Subsection B.2 of this Section according to the schedule outlined in LAC 33:III.510.C.1.

EC. Certification. A certifying statement ~~is to be signed by the owner(s) or operator(s) responsible~~ official as defined in LAC 33:III.502 ~~and shall accompany each ERC bank balance annual report that is submitted~~ to attest that the information contained in the ~~balance report~~ is true and accurate to the best knowledge of the certifying official. The certification shall include the full name, title, and signature of the certifying official; ~~and the date of signature, and telephone number of the certifying official.~~

~~F. Inclusion of ERC Bank in the Emissions Inventory. The administrative authority shall be responsible for including the banked ERCs in the current emissions inventory so that the credits are considered to be "in the air" for air quality planning purposes. Any failure by the regulatory agency to fulfill this responsibility shall not affect the validity of the ERCs in any manner.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:877 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1622 (September 1999), LR 26:486 (March 2000), LR 26:2449 (November 2000), LR 28:

§615. Schedule for Submitting Applications

A. All ~~bank balance sheets~~ applications for banking emission reductions ~~where the emission reductions occurred after adoption of the final rule~~ shall be submitted by March 31 following the year in which the reductions occurred. ~~Thereafter, the bank balance and the applicant's certification should be submitted annually on March 1.~~ ERC applications can be submitted in the form of an ERC bank application or as part of a permit application for construction or modification that requires offsets. Failure to apply for ERCs by March 31 will invalidate the emission reductions as offsets.

B. All applications for banking ERCs in the parishes of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge where the emission reductions occurred before August 20, 1994, must have been submitted prior to February 20, 1995. First time applications for banking ERCs for attainment parishes identified in LAC 33:III.603 may be submitted at any time. If a parish is redesignated as ozone nonattainment by the EPA,

applications for banking ERCs ~~for these in such~~ parishes must be submitted by March 31 of the year following the within six months after the effective date of the EPA designation. Once a banking application has been filed, the bank balance and the applicant's certification should be submitted annually on March 1.

C. Sources subject to LAC 33:III.510 shall submit applications for banking ERCs according to the schedule outlined in LAC 33:III.510.C.1.

~~C. Owner(s) or operator(s) of major sources in nonattainment areas with VOC or NO_x emission reductions not identified through the process described in Subsection B of this Section will be confiscated. A notification of confiscation will be sent by the department at such time that a permit modification or renewal is submitted using "unbanked" VOC or NO_x emission reductions described in Subsection B of this Section as offsets or for netting purposes.~~

~~D. Bank balance sheets~~ Applications for banking emission reductions ~~which that~~ are to be made as part of a project ~~which that~~ includes an increase ~~of in~~ emissions ~~and~~ for which the reduction will serve to ~~net out or~~ offset the increase may be submitted as part of the permit application for the proposed increase. Such reductions will be reviewed for applicability as ~~an~~ ERCs concurrently with the review of the permit application.

E. The applicant shall speciate VOC according to individual compounds when applying to bank VOC reductions. Speciation of toxic air pollutants regulated in LAC 33:III.Chapter 51 is required.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:878 (August 1994), amended LR 21:681 (July 1995), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1623 (September 1999), LR 26:486 (March 2000), LR 28:

§617. Procedures for Review and Approval of ERCs Bank Balance Sheets

~~A. Determination of a Complete Application. An ERC bank balance sheet shall be deemed complete when the department has determined that sufficient information is available to evaluate the ERC bank balance sheet. The department shall determine whether an ERC application is complete not later than 30 calendar days following receipt of the application, or after a longer time period agreed upon in writing by both the owner(s) or operator(s) and the department. Upon determination that the application is complete, the department shall notify the owner(s) or operator(s) in writing.~~

~~B. Submittal of Additional Information. If the department determines that the bank balance sheet is not complete, the owner(s) or operator(s) shall be notified in writing of the decision, specifying the additional information that is required. The owner(s) or operator(s) shall have 90 days to submit the requested information. Upon receipt of all requested information, the department shall have 30 days to determine whether the application is complete. If no data is submitted or the application is still incomplete, the department may cancel the ERC bank balance sheet with written notification to the owner(s) or operator(s). Upon determination that the application is complete, the department shall notify the owner(s) or operator(s) in writing.~~

A. The department's review and approval of an application for ERCs generally shall be conducted

when a request is submitted to use the reductions as offsets. The review shall be conducted in accordance with LAC 33:III.607.

~~CB.~~ Preliminary Decision on the Approval or Disapproval of the Bank Balance Sheet to Approve the ERC. ~~Upon determining that a bank balance sheet is complete, the department shall have 60 days to perform an initial assessment of the bank balance sheet and render a preliminary decision as to whether to approve or to disapprove the ERC. Upon completion of this initial assessment~~ making a preliminary decision to approve any ERC, the department shall provide ~~written notice of such preliminary decision to the owner(s) or operator(s) and the public~~ public notice of its decision. The public notice shall include the name and address of the applicant; the proposed quantity and type of emission reductions to be approved ~~or disapproved;~~ an explanation of the department's initial assessment; the opportunity and time periods to submit written public comments concerning the application; and the name and address of the person to whom public comments and requests for public hearings should be sent. A period of 30 days after the date of publication will be allowed for ~~owner or operator and~~ public comment. The notice of preliminary approval may be incorporated with a notice of preliminary approval of an air permit for which the ERC will be used as offsets. If the notice of preliminary approval is not associated with an air permit, The department's preliminary decision relates only to the banking of the emission reductions and not to the use of the ERCs.

~~DC.~~ ERC Certificates

1. Issuance of ERC Certificates. Upon conclusion of the 30-day ~~owner(s)' or operator(s)'~~ comment period provided in Subsection B of this Section, the department shall ~~have 30 days to~~ render a decision as to whether the department approves, ~~conditionally approves,~~ or disapproves the application. ~~This decision shall be promptly delivered in writing by registered mail to the owner(s) or operator(s). If the department decides to approve the ERC bank balance sheet application, the department shall issue an ERC certificate to the owner(s) or operator(s). A copy of the ERC certificate shall be retained by the department, and the original shall be delivered to the owner(s) or operator(s). Delivery by the department of the ERC certificate to owner(s) or operator(s) shall be accomplished by registered mail.~~ The issued ERC certificate shall be recorded in the banking ~~register~~/database.

2. Upon issuance of a permit that relies upon the use of approved ERCs as offsets, the department shall be responsible for recalculating the ERC balance for that entity and for providing that entity with an adjusted ERC certificate. In the case of a partial use of an ERC from an emission reduction project, the department shall issue a new certificate reflecting the available credits remaining. The remaining ERC(s) shall be reviewed again in accordance with LAC 33:III.607 at the time a request is received to use the remaining portion.

3. Transfer of ERCs. An ERC certificate may be transferred in whole or in part. The role of the department in the transfer of an ERC certificate shall be limited to providing information to the public, documenting ERC transfers, and registering ERC certificates. The department shall be notified by letter within 30 days of any transfer of an ERC to another party. This correspondence should indicate the new owner, the previous owner, the amount of ERC transferred, and the date of transfer. The department shall then issue a certificate indicating the new owner. In the case of a partial transfer, the department shall issue a new certificate to the new owner as well as a revised certificate to the current owner reflecting the available credits to each owner. The

banking database shall be adjusted accordingly.

~~ED.~~ Appeals. The owner(s) ~~or operator(s)~~ may appeal the department's decision following provisions specified in R.S. 30:2024.

~~F. Cancellation of ERC Bank Balance Sheet. Withdrawal of a bank balance sheet by an owner or operator shall result in the cancellation of the bank balance sheet. If an owner or operator resubmits the application, the application shall be treated as a new application, and the review and approval process will start over as if the applicant had submitted the bank balance sheet for the first time.~~

~~G. Governing Rules. ERC bank balance sheets shall be reviewed in accord with federal and state rules in effect at the time of the submittal of the ERC bank balance sheet.~~

~~HE.~~ Request for Recalculation of ERCs. Anytime after the original ERC application is submitted, the applicant may request the recalculation of the ERCs for the purpose of using alternative baseline emissions, an alternative baseline period, or availability of more accurate emissions data (i.e., performance test data, etc.). The review and approval of this recalculation request shall follow the same schedule procedure as set forth in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:878 (August 1994), amended by Office of Environmental Assessment, Environmental Planning Division, LR 28:

§619. ~~Registration of Emission Reduction Credit Certificates~~ Bank

A. ~~Banking Register/Database.~~ The department shall maintain a banking ~~register/database~~ that shall consist of a record of all information concerning ~~titles, interest, and other matters such as liens, encumbrances, changes of records, applications,~~ deposits, withdrawals, and transactions, as well as pertinent date(s) concerning such information. All data in the banking ~~register/database~~ shall be available to the public upon request. ~~It is the goal of the department to establish a computerized database which will allow the public to ascertain the amount of reductions which are registered or banked in each designated ozone nonattainment area. In lieu of a computerized database, a paper copy of the amount of reductions that are registered or banked will be available at the department.~~

B. ERC Certificates. Certificates ~~will shall~~ be issued ~~at the point of trade for approved ERCs.~~ A record of each ERC certificate issued shall be retained by the department. Each ERC certificate shall ~~contain~~, at minimum:

- ~~1. be numbered consecutively;~~
- ~~21.~~ bear the date of issuance;
- ~~32.~~ be signed by the ~~administrative authority~~ permitting authority;
- ~~4. bear the seal of the state;~~
- ~~53.~~ include the owner(s)' name(s); ~~and~~ address(es), ~~and phone number(s);~~
- ~~64.~~ state the ~~address~~ name of the stationary source where the emission reduction occurred;
- ~~75.~~ indicate the method of ERC creation;

- 86. show the quantity of the ERC and type of pollutant; and
- 97. show when the emission reduction occurred.

C. Multiple ERC Certificates and Multiple Ownership. Single or multiple ERC certificates may be issued for a particular emission reduction project. At the owner(s)' ~~or operator(s)'~~ request, multiple ERC certificates shall be issued for each owner's proportional share.

~~D. Duplicate Copy of the ERC Certificate. The department may reissue a lost, mutilated, or destroyed ERC certificate after the ERC certificate title bearer vouches that the original has been lost, mutilated, or destroyed. The word Duplicate, will appear on the reissued certificate.~~

~~E. Inclusion of ERC Bank in the Emissions Inventory. The department shall be responsible for including the banked ERCs in the current emissions inventory so that the credits are considered to be "in the air" for air quality planning purposes. Any failure by the department to fulfill this responsibility shall not affect the validity of the ERCs in any manner.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:879 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 26:2449 (November 2000), LR 28:

§621. Repealed. Protection of Banked ERCs

~~A. Only ERCs used as offsets are valid for 10 years from the date of their actual emission reduction to the atmosphere. ERCs can also be used for netting, but only during the contemporaneous period as specified in LAC 33:III.504.~~

~~B. ERCs may be used by the ERC certificate owner(s) or operator(s) or by any entity to whom the ERC certificate has been transferred, except that the department may reduce the quantity of ERCs under the following circumstances:~~

~~1. Adjustments for Attainment Planning Purposes. The department will maintain a bank balance (of VOC reductions which have not been designated for either netting or offset purposes) sufficient to demonstrate the commitments made in the reasonable further progress plan which may be a reduction identified to satisfy the 15 percent VOC Reasonable Further Progress Plan or the contingency measures associated with the same plan. The department shall confiscate only those ERCs from the bank that are needed for attainment purposes either as a support to the 15 percent VOC RFP or when a milestone of that plan has been missed. ERCs which have already been used or for which a permit application has been submitted (either for netting or offsetting purposes) shall not be reduced in quantity or confiscated under any circumstance.~~

~~2. Prior notification and comment opportunity. The department shall notify the owner(s) of reduction credits, in writing, its plans to confiscate in order to meet the 15 percent VOC RFP or contingency measures. A 30 day comment period will be allowed for the affected facility(ies) to respond to the department's confiscation or to submit an alternative emissions reduction proposal.~~

~~3. Refunding of Unused ERCs. If all of the ERCs withheld for the reasonable further~~

progress demonstration are not utilized, then the department shall refund the unused ERCs to the generating sites on a pro rata basis. Refunds will be in a direct proportion to a site's individual contribution to the amount of ERCs withheld for reasonable further progress. The period of time that an ERC was held by the department will not count toward the contemporaneous period for netting or the ten year life for offsetting purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:879 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:1623 (September 1999), repealed LR 28:

§623. Repealed. Withdrawal, Use, and Transfer of Emission Reduction Credits

A. ~~Withdrawal of ERCs. An ERC certificate may be withdrawn in whole or in part. The ERC owner must submit a written request to withdraw and use the ERCs. The administrative authority shall have 30 calendar days to review the request. Upon such request to withdraw ERCs from the bank, the department shall be responsible for recalculating the quantity of available ERCs for that entity and for providing that entity with an adjusted bank balance sheet. In the case of a partial withdrawal, the assistant secretary shall issue a new certificate reflecting the available credits remaining.~~

B. ~~Use of ERCs. ERCs shall be used in accordance with applicable regulations. ERCs may be used anytime after the issuance of an ERC certificate. After the ERC has been used, the ERC owner shall relinquish title to the ERC, and the banking register shall indicate that the ERC has been used. After an ERC is applied to an air permit or a project or otherwise used, the quantity shall not be changed for any reason. An ERC may be used:~~

- ~~1. to offset increased emissions from new or modified sources in nonattainment or attainment areas in accordance with LAC 33:III.504;~~
- ~~2. for netting under nonattainment new source review or prevention of significant deterioration programs in accordance with LAC 33:III.504 and 509;~~
- ~~3. where allowed, to establish alternative emission limits (which have been approved by both the department and the U.S. EPA); and~~
- ~~4. in another manner deemed appropriate and in accordance with applicable state and federal law.~~

C. ~~Transfer of ERCs. An ERC certificate may be transferred in whole or in part. The role of the department in the transfer of an ERC certificate shall be limited to providing information to the public, documenting ERC transfers, and registering ERC certificates. The administrative authority shall be notified within 30 days of any transfer of the credit to another party. The old certificate shall be submitted to the assistant secretary who shall then issue a new certificate within 30 days indicating the new owner. In the case of a partial transfer, the assistant secretary shall issue a new certificate to the new owner as well as a revised certificate within 30 days to the current owner reflecting the available credits to each owner. The original ERC certificate shall be canceled. The banking register/database shall indicate the transfer to the new owner (and reduction of credits when a partial transfer takes~~

place) and the invalidation of the original ERC certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:880 (August 1994), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 26:2449 (November 2000), repealed LR 28:

§625. Application and Processing Fees

~~Repealed. Fees will be assessed when the application process does not coincide with a permit application, permit modification, required initial reporting or required annual reporting.~~

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:880 (August 1994), repealed by the Office of Environmental Assessment, Environmental Planning Division, LR 28:

Title 33
ENVIRONMENTAL QUALITY
Part III. Air Quality

Chapter 22. Control of Emissions of Nitrogen Oxides (NO_x)

§2201. Affected Facilities in the Greater Baton Rouge NO_x Control Area

A. Applicability

1. The provisions of this Chapter shall apply to any affected facility in the Greater Baton Rouge NO_x Control Area (i.e., the entire parishes of Ascension, East Feliciana, East Baton Rouge, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana).
2. The provisions of this Chapter shall apply during the ozone season (May 1 to September 30) of each year.
3. All affected facilities shall be in compliance as expeditiously as possible, but by no later than the dates specified in Subsection J of this Section.

B. Definitions. Unless specifically defined in this Subsection or in LAC 33:III.111 or 502, the words, terms, and abbreviations in this Chapter shall have the meanings commonly used in the field of air pollution control. For purposes of this Chapter only, the following definitions shall supersede any definitions in LAC 33:III.111 or 502.

Administrator—the administrator, or an authorized representative, of the U. S. Environmental Protection Agency (EPA).

Administrative Authority—the secretary of the Department of Environmental Quality or his designee or the appropriate assistant secretary or his designee.

Affected Facility—any facility within the Greater Baton Rouge NO_x Control Area with one or more affected point sources that collectively emit or have the potential to emit 50 tons or more per year of NO_x, unless exempted in Subsection C of this Section.

Affected Point Source—any point source located at an affected facility and subject to an emission factor listed in Subsection D.1 of this Section or used as part of an alternative plan in accordance with Subsection E of this Section, unless exempted in Subsection C of this Section.

Ammonia Reformer—a type of process heater/furnace located in an ammonia production plant that is designed to heat a mixture of natural gas and steam to produce hydrogen and carbon oxides.

Averaging Capacity—the average actual heat input rate in MMBtu/hour at which an affected point source operated during the ozone season of the two calendar years of 2000 and 2001. Another period may be used to calculate the averaging capacity if approved by the department. For units with permit revisions that legally curtailed capacity or that were permanently shutdown after 1997, the averaging capacity is the average actual heat input during the last two ozone seasons of operation before the curtailment or shutdown.

Biomass—defined as bagasse, rice-husks, wood, or other combustible, vegetation-derived material that is suitable for use as fuel.

Boiler—any combustion equipment fired with any solid, liquid, and/or gaseous fuel that is primarily used to produce steam, or heat water, or any other heat transfer medium for

power generation or for heat to an industrial, institutional, or commercial operation. Equipment that is operated primarily for waste treatment and that incidentally produces steam shall not be regulated under this Chapter as a boiler.

Cap—a system for demonstrating compliance whereby an affected facility, a subset of affected sources at an affected facility, or a group of affected facilities under common control are operated to stay below a mass emission rate expressed as mass per unit of time. The allowable mass emission rate is calculated by adding the allowable emissions for each affected point source. The allowable emission is the product of the source's averaging capacity and the applicable factor in Subsection D.1 of this Section.

Chemical Processing Gas Turbine—a gas turbine that vents its exhaust gases into the operating stream of a chemical process.

Coal—all solid fuels classified as anthracite, bituminous, subbituminous, or lignite by the American Society for Testing and Materials, Designation D388-77. For the purposes of this Chapter, coal shall also include petroleum coke, solid carbon residues from the processing of petroleum products and coal-derived synthetic fuels, including but not limited to, solvent refined coal, coal-oil mixtures, and coal-water mixtures.

Combined Cycle—a combustion equipment configuration that generates electrical power with a stationary gas or liquid-fired turbine and/or a stationary internal combustion engine and that recovers heat from the discharge within equipment to heat water or generate steam.

Continuous Emissions Monitoring System (CEMS)—the total equipment used to sample and condition, if applicable, to analyze, and to provide a permanent record of emissions or process parameters.

Daily Average—an average of the hourly data for one calendar day starting at 12-midnight and continuing until the following 12-midnight.

Department—the Louisiana Department of Environmental Quality.

Elapsed Run-Time Meter—an instrument designed to measure and record the time that an affected point source has run during a designated period.

Electric Power Generating System—all boilers, stationary internal combustion engines, stationary gas turbines, and other combustion equipment within an affected facility that are used to generate electric power and that are owned or operated by a municipality, an electric cooperative, an independent power producer, a public utility, or a Louisiana Public Service Commission regulated utility company, or any of its successors.

Emergency Standby Gas Turbine or Engine—a gas turbine or engine operated as an electrical or a mechanical power source for an affected facility when the primary source has been disrupted or discontinued during an emergency due to circumstances beyond the control of the owner or operator of the affected facility and that is operated only during such an emergency or when normal testing procedures, as recommended by the manufacturer, are being performed. The definition includes a stationary gas turbine or a stationary internal combustion engine that is used at a nuclear power plant as an emergency generator that is subject to Nuclear Regulatory Commission (NRC) regulations and a stationary internal combustion engine that is used for the emergency pumping of water for either fire protection or flood relief. This term does not include an electric generating unit in peaking service.

Facility—a contiguous area under common control that contains various types of equipment that emit or have the potential to emit NO_x.

Facility-Wide Averaging Plan—an alternative emission plan whereby an affected

facility (or affected facilities with a common owner or operator) with multiple affected point sources of NO_x emissions achieves the required reduction by a different mix of controls from that mandated by Subsection D of this Section. Some affected point sources may be over-controlled (more restrictive than the regulation) or shutdown in order to offset other affected point sources that are under-controlled (less restrictive than the regulation) or not controlled, provided the required overall NO_x reduction is met.

Facility-Wide Emission Factor—the total average allowable NO_x emission factor in pound NO_x/MMBtu for affected point sources when firing at their averaging capacities.

F Factor—the ratio of the gas volume of the products of combustion to the heat content of the fuel, typically expressed in dry standard cubic feet (dscf) per MMBtu.

Flare—a type of equipment specifically designed for combusting gaseous vents at an above-ground location.

Fluid Catalytic Cracking Unit Regenerator—a unit in a refinery where catalyst is recovered (regenerated) by burning off coke and other deposits with hot air. The term includes the associated equipment for controlling air pollutant emissions and for heat recovery.

Gas—any gaseous substance that can be used as a fuel to create heat and/or mechanical energy including natural gas, synthetically produced gas from coal or oil, gaseous substances from the decomposition of organic matter, and gas streams that are by-products of a manufacturing process.

Greater Baton Rouge NO_x Control Area—an area around Baton Rouge where NO_x controls are being implemented under this Chapter. The area consists of the entire parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana.

Heat Input—the heat released due to fuel combustion in an affected point source, using the higher heating value of the fuel, excluding the sensible heat of the incoming combustion air.

Higher Heating Value—a measurement of the heat evolved during the complete combustion of a substance, including the latent heat of condensation of any water that is produced.

Horsepower Rating—the engine manufacturer's maximum continuous load rating at the lesser of the engine or driven equipment's maximum published continuous speed.

Incinerator—any combustion equipment, with or without heat recovery, that is designed and operated primarily for the treatment of gaseous and/or liquid waste. If waste treatment is an incidental part of the operation, the unit shall not be classified as an incinerator. An example of incidental use is when a waste stream is injected into a boiler, process heater/furnace, or other piece of process combustion equipment and the waste streams contribute less than 50 percent of the total heat input. A device classified as a boiler or industrial furnace in accordance with LAC 33:V.Chapter 30 is not an incinerator.

International Standards Organization (ISO) Conditions—standard conditions of 59⁰F, 1.0 atmosphere, and 60 percent relative humidity.

Kilns and Ovens—combustion equipment used for drying, baking, cooking, and calcining. Kilns can also be used for the treatment of solid wastes.

Lean-Burn Engine—a spark-ignited or compression-ignited, Otto cycle, diesel cycle, or two-stroke engine that is not capable of being operated with an exhaust stream oxygen concentration equal to or less than 1.0 percent, by volume on a dry basis, as originally designed

by the manufacturer. The exhaust gas oxygen concentration shall be determined from the uncontrolled exhaust stream.

Liquid Fuel—any substance in a liquid state that can be used as a fuel to create heat and/or mechanical energy including:

- a. crude oil, petroleum oil, fuel oil, residual oil, distillate, or other liquid fuel derived from crude oil or petroleum;
- b. liquid by-products of a manufacturing process or a petroleum refinery; and
- c. any other liquid fuel.

Low Ozone Season Capacity Factor Boiler or Process Heater/Furnace—a boiler or process heater/furnace with maximum rated capacity greater than or equal to 80 MMBtu/hour and ozone season heat input less than or equal to 0.92×10^{11} Btu.

Malfunction—any sudden and unavoidable failure, as defined in LAC 33:III.111.

Maximum Rated Capacity—the maximum annual design capacity, as determined by the equipment manufacturer or as proven by actual maximum annual performance in the field, unless the affected point source is limited by permit condition to a lesser annual capacity, in which case the limiting condition shall be used as the maximum rated capacity. Where the capacity of a point source is limited by an operating cap applicable to a group of point sources (e.g., several units capped to a combined total firing rate), the total firing rate cap shall be divided by the number of point sources in the cap to arrive at an equivalent maximum rated capacity. This equivalent maximum rated capacity shall be used to determine the applicability of the emission factors and monitoring provisions of this Chapter.

Megawatt (MW) Rating—the continuous power rating or mechanical equivalent by a stationary gas turbine manufacturer at ISO conditions, without consideration to the increase in turbine shaft output and/or decrease in turbine fuel consumption by the addition of energy recovered from exhaust heat.

Nitric Acid Production Unit—a facility that produces nitric acid by any process.

Nitrogen Oxides (NO_x)—the sum of the nitric oxide and nitrogen dioxide in a stream, collectively expressed as nitrogen dioxide.

Nonattainment Parish—in Louisiana, the parishes of Ascension, East Baton Rouge, Iberville, Livingston, or West Baton Rouge.

Number 6 Fuel Oil—fuel oil of the grade that is classified number 6, according to ASTM Standard Specification for classification of fuel oil by ASTM D396-84.

Ozone Season—May 1 to September 30, inclusively.

Peaking Service—a stationary gas turbine or stationary internal combustion engine that is operated intermittently to produce energy. To be in peaking service, the annual heat input or horsepower-hours for the affected point source shall be less than the product of 2500 hours and the MW rating of the turbine or the horsepower rating of the engine.

Permanent Shutdown—a shutdown lasting for two years or more or resulting in the removal of the source from the department emissions inventory.

Predictive Emissions Monitoring System (PEMS)—a system that uses process and other parameters as inputs to a computer program or other data reduction system to produce values in terms of the applicable emission limitation or standard.

Process Heater/Furnace—any combustion equipment fired with solid, liquid, and/or gaseous fuel that is used to transfer heat to a process fluid, superheated steam, or water for

the purpose of heating the process fluid or causing a chemical reaction. The term process heater/furnace does not apply to any unfired waste heat recovery boiler that is used to recover sensible heat from the exhaust of any combustion equipment, or to boilers as defined in this Subsection.

Pulp Liquor Recovery Furnace—either a straight Kraft recovery furnace or a cross recovery furnace as defined in 40 CFR 60 subpart BB.

Rich-Burn Engine—all stationary reciprocating engines that do not fit the definition of lean-burn.

Sensible Heat—the heat energy stored in a substance as a result of an increase in its temperature.

Stationary Gas Turbine—any turbine system that is gas and/or liquid fuel fired and that is either attached to a foundation at an affected facility or is portable equipment operated at a specific affected facility for more than 60 days in any ozone season.

Stationary Internal Combustion Engine—a reciprocating engine that is either gas and/or liquid fuel fired and that is either attached to a foundation or is portable equipment operated at a specific affected facility for more than six months at a time. This term does not include locomotive engines or self-propelled construction engines.

Supplemental Firing Unit—a unit with burners that is installed in the exhaust duct of a stationary gas turbine or internal combustion engine for the purpose of supplying supplemental heat to a downstream heat recovery unit.

Thirty-Day (30-Day) Rolling Average—an average, calculated for each day that fuel is combusted, of hourly emissions data for the preceding 30 days that fuel is combusted in an affected point source.

Totalizing Fuel Meter—a meter or metering system that provides a cumulative measure of fuel consumption.

Trading Allowances—the tons of NO_x emissions that result from over-controlling, permanently reducing the operating rate of, or permanently shutting down, an affected point source located within the Greater Baton Rouge NO_x Control Area. The allowances are determined in accordance with LAC 33:III.Chapter 6 and from the emission factors required by Subsection D of this Section for the affected point source and the enforceable emission factor assigned by the owner or operator in accordance with Subsection E of this Section. Trading allowances will be granted only for reductions that are real, quantifiable, permanent, and federally enforceable. NO_x reductions that are used in a facility-wide averaging plan cannot be also used in a trading plan.

Wood—wood, wood residue, bark, or any derivative fuel or residue thereof in any form, including but not limited to, sawdust, sander dust, wood chips, scraps, slabs, millings, shavings, and processed pellets made from wood or other forest residues.

C. Exemptions. The following categories of equipment or processes located at an affected facility within the Greater Baton Rouge NO_x Control Area are exempted from the provisions of this Chapter:

1. boilers and process heater/furnaces with a maximum rated capacity of less than 80 million British thermal units (MMBtu) per hour;
2. stationary gas turbines with a megawatt rating based on heat input of less than 10 megawatts (MW);

3. stationary internal combustion engines as follows:
 - a. rich-burn engines with a rating of less than 300 horsepower (Hp);
 - b. lean-burn engines with a rating of less than 1500 Hp;
4. low ozone season capacity factor boilers and process heater/furnaces, in accordance with Subsection H.11 of this Section;
5. stationary gas turbines and stationary internal combustion engines, that are:
 - a. used in research and testing;
 - b. used for performance verification and testing;
 - c. used solely to power other engines or turbines during start-ups;
 - d. operated exclusively for fire fighting or training and/or flood control;
 - e. used in response to and during the existence of any officially declared disaster or state of emergency;
 - f. used directly and exclusively for agricultural operations necessary for the growing of crops or the raising of fowl or animals; or
 - g. used as chemical processing gas turbines.
6. any point source, in accordance with Subsection H.12 of this Section, that operates less than 400 hours during the ozone season;
7. flares, incinerators, kilns and ovens as defined in Subsection B of this Section;
8. any point source during start-up and shutdown as defined in LAC 33:III.111 or during a malfunction as defined in 40 CFR section 60.2;
9. any point source used solely to start up a process;
10. any point source firing biomass fuel that supplies greater than 50 percent of the heat input on a monthly basis;
11. any point source at a sugar mill;
12. fluid catalytic cracking unit regenerators;
13. pulp liquor recovery furnaces;
14. diesel-fired stationary internal combustion engines;
15. any affected point source that is required to meet a more stringent state or federal NO_x emission limitation (In this case, the monitoring, reporting, and recordkeeping requirements shall be in accordance with the more stringent regulation and not this Chapter.);
16. wood-fired boilers that are subject to 40 CFR 60, subpart Db;
17. nitric acid production units that are subject to 40 CFR 60, subpart G or LAC 33:III.2307;
18. any affected point source firing Number 6 Fuel Oil during a period of emergency and approved by the administrative authority;
19. boilers and industrial furnaces treating hazardous waste and regulated under LAC 33:V.Chapter 30 or 40 CFR part 264, 265, or 266, including halogen acid furnaces and sulfuric acid regeneration furnaces; and
20. high efficiency boilers or other combustion devices regulated under the Toxic Substance Control Act PCB rules under 40 CFR part 761.

D. Emission Factors

1. The following table lists NO_x emission factors that shall apply to affected point sources located at affected facilities in the Greater Baton Rouge NO_x Control Area:

NO _x Emission Factors		
Category	Maximum Rated Capacity	NO _x Emission Factor ^a
Electric Power Generating System Boilers:		
Coal-fired	>= 80 MMBtu/Hour	0.21 pound/MMBtu
Number 6 Fuel Oil-fired	>= 80 MMBtu/Hour	0.18 pound/MMBtu
All Others (gaseous or liquid)	>= 80 MMBtu/Hour	0.10 pound/MMBtu
Industrial Boilers	>= 80 MMBtu/Hour	0.10 pound/MMBtu
Process Heater/Furnaces:		
Ammonia Reformers	>= 80 MMBtu/Hour	0.23 pound/MMBtu
All Others	>= 80 MMBtu/Hour	0.08 pound/MMBtu
Stationary Gas Turbines	>= 10 MW	0.16 pound/MMBtu ^b
Stationary Internal Combustion Engines:		
Lean-burn	>= 1500 Hp	4g/Hp-hour
Rich-burn	>= 300 Hp	2g/Hp-hour

^a all factors are based on the higher heating value of the fuel.

^b equivalent to 42 ppmv (15 percent O₂, dry basis) with an F factor of 8710 dscf/MMBtu.

2. Any electric power generating system boiler that operates with a combination of fuels shall comply with an adjusted emission factor calculated as follows:

a. if a combination of fuels is used normally, the emission factor from Subsection D.1 of this Section shall be adjusted by the weighted average heat input of the fuels based on the ozone season average usage in 2000 and 2001, or another period if approved by the department;

b. if the boiler is normally fired with a primary fuel and a secondary fuel is available for back-up, the unit shall comply with the emission factor for the primary fuel while firing the primary fuel and with the emission factor for the secondary fuel while firing the secondary fuel. In addition, the usage of the secondary fuel shall be limited to the ozone season average usage of the secondary fuel in 2000 and 2001, or another period if approved by the department; and

c. in either case, if the secondary fuel is less than 10 percent of the weighted average, the owner or operator may choose to comply with the unadjusted limit for the primary fuel.

3. For affected point sources in an electric power generating system that fire gaseous or liquid fuels, the emission factors from Subsection D of this Section shall apply as the mass of NO_x emitted per unit of heat input (pound NO_x per MMBtu), on a daily average basis. Alternatively, a facility may choose to comply with a ton per day or a pound per hour cap provided that monitoring is installed to demonstrate compliance with the cap. The cap for a facility or for multiple facilities under common control is calculated by adding the products of the factor from Subsection D.1 of this Section and the averaging capacity for each affected point source as follows:

$$Cap \text{ (tpd) } = 0.012 \times \sum_{i=1}^N (R_{li} \times HI_i) \quad \text{Equation D-1}$$

Where:

HI_i = the averaging capacity of each point source (MMBtu/hour)

i = each point source included in the cap

N = the total number of point sources included in the cap

R_{li} = the limit for each point source from Subsection D of this Section
(pound NO_x/MMBtu)

4. For all other affected point sources, including those in a coal-fired electric power generating system, the emission factors from Subsection D of this Section shall apply as the mass of NO_x emitted per unit of heat input (pound NO_x per MMBtu), on a 30-day rolling average basis. Alternatively, a facility may choose to comply with a cap as detailed in Subsection D.3 of this Section provided a system, approved by the department, is installed to demonstrate compliance.

5. If one affected point source discharges in part or in whole to another affected point source, the portion discharging into the second point source shall be treated as emanating from the second point source and shall be controlled to the same limit as that specified for the second point source, while the portion discharging directly to the atmosphere from the first point source shall be controlled to the limit of the first point source. This term shall not include a combined cycle unit that discharges into a supplemental firing unit or other type of combustion equipment. For this type of point source, the emissions shall be controlled as follows:

a. for the turbines and/or engines, at the appropriate limits for the turbines and/or engines alone; and

b. for the supplemental firing unit or other type of combustion equipment, at the appropriate limit for the supplemental firing or combustion equipment with the measured emission values adjusted for the emissions coming from the turbines and/or engines.

6. Where a common stack is used to collect vents from affected point sources or affected point sources and exempt point sources and monitoring and/or testing of individual units is not feasible, the department, upon application from the owner or operator, shall specify alternative methods to demonstrate compliance with the emission factors of this Subsection.

7. Any affected point source firing gaseous fuel that contains hydrogen and/or carbon monoxide may apply a multiplier, as calculated below, to the appropriate emission factor given in Subsection D.1 of this Section. The total hydrogen and/or carbon monoxide volume in the gaseous fuel stream is divided by the total gaseous fuel flow volume to determine the volume percent of hydrogen and/or carbon monoxide in the fuel supply. In order to apply this multiplier, the owner or operator of the affected point source shall sample and analyze the fuel gas composition for hydrogen and/or carbon monoxide in accordance with Subsection G.5 of this Section.

$$\begin{array}{l}
 \text{If } (\text{Vol. } \% H_2 + \text{Vol. } \% CO) = \text{or } < 50 \\
 \text{Then} \\
 \text{fuel multiplier} = 1 + \frac{0.5 \times (\text{Vol. } \% H_2 + \text{Vol. } \% CO)}{100} \\
 \text{Otherwise} \\
 \text{fuel multiplier} = 1.25
 \end{array}
 \quad \text{Equation D-2}$$

8. The owner or operator of a stationary gas turbine using a fuel that has an F factor different than 8710 dscf/MMBtu may adjust the allowable emission factor shown in Subsection D.1 of this Section. The adjustment is made by dividing the actual F factor (dscf/MMBtu) of the fuel by 8710 and multiplying the result by 0.16 to get the adjusted allowable emission factor. The use of this option shall be detailed in the permit application or in the optional compliance plan described in Subsection F.7 of this Section.

9. On a day that is designated as an Ozone Action Day by the department, a facility shall not fire an affected point source with Number 6 Fuel Oil or perform testing of emergency and training combustion units without prior approval of the administrative authority.

E. Alternative Plans

1. **Facility-Wide Averaging Plan.** A facility-wide averaging plan is established in this Chapter for single affected facilities and multiple affected facilities that are owned and operated by the same entity. Within the Greater Baton Rouge NO_x Control Area, an owner or operator of one or more affected facilities may use the facility-wide averaging plan as an alternative means of compliance with the emission factors from Subsection D of this Section. A request for approval to use a facility-wide averaging plan, that includes the details of the plan, shall be submitted to the department either separately or with the permit application or in the optional compliance plan described in Subsection F.7 of this Section. A facility-wide averaging plan submitted under this provision shall be approved if the department determines that it will provide emission reductions equivalent to or more than that required by the emission factors in Subsection D of this Section and the plan establishes satisfactory means for determining ongoing compliance, including appropriate monitoring and recordkeeping requirements. Approval of the alternative plans by the administrative authority does not necessarily indicate automatic approval by the administrator.

a. An owner or operator who elects to use a facility-wide averaging plan for compliance shall establish an emission factor for each applicable affected point source such that if each affected point source was operated at its averaging capacity, the cumulative emission factor in pounds NO_x/MMBtu from all point sources in the averaging group would not

exceed the facility-wide emission factor, as shown in Equation E-3. The equations below shall be used to calculate the cumulative emission rate and the facility-wide emission factor.

$$FL = \sum_{i=1}^N (R_{li} \times f_i) \quad \text{Equation E-1}$$

where:

$$f_i = HI_i / \sum_{i=1}^N HI_i \quad \text{Equation E-2}$$

$$\sum_{i=1}^N (R_{ai} \times f_i) \leq FL \quad \text{Equation E-3}$$

where:

- f_i = fraction of total system averaging capacity for point source i
- HI_i = the averaging capacity of each point source (MMBtu/hour)
- i = each point source in the averaging group
- N = the total number of point sources in the averaging group
- R_{ai} = the limit assigned by the owner to each point source in the averaging plan (pound NO_x /MMBtu)
- R_{li} = the limit for each point source from Subsection D of this Section (pound NO_x /MMBtu)
- FL = facility-wide emission factor (pound NO_x /MMBtu) of all point sources included in the averaging plan

b. An owner or operator of an electric power generating system that fires gaseous or liquid fuels and that chooses to use an averaging plan shall demonstrate compliance by either of the following methods:

- i. operating such that each affected point source does not exceed its assigned individual limit in pound NO_x /MMBtu on a daily average basis; or
- ii. complying with a cap as described in Subsection D.3 of this Section, provided that a monitoring system is installed to demonstrate compliance with the cap.

c. Owners or operators of all other affected point sources, including those in a coal-fired electric power generating system, that choose to use an averaging plan shall demonstrate compliance by either of the following methods:

- i. operating such that each affected point source does not exceed its assigned individual limit in pound NO_x /MMBtu on a 30-day rolling average basis; or
- ii. complying with a cap as described in Subsection D.4 of this Section, provided a system, approved by the department, is installed to demonstrate compliance with the cap.

d. Notwithstanding the compliance methods described in Subsection E.1.b.i and c.i of this Section, the owner or operator that chooses to use an averaging plan shall

include in the submitted plan provisions that demonstrate to the department that any under-controlled unit will not be operated at more than ten percent above its calculated averaging capacity fraction (f_i in Equation E-2). If this limit is not adequately demonstrated, the department shall require that the facility demonstrate compliance by operating such that the facility-wide emission factor, FL, is not exceeded, instead of by the methods described in Subsection E.1.b.i or c.i of this Section.

e. The owner or operator of affected point sources complying with the requirements of this Subsection can include in the plan either all of the affected point sources at the facility or select only certain sources to be included.

f. NO_x reductions accomplished after 1997 through curtailments in capacity of a point source with a permit revision or by permanently shutting down the point source may be included in the averaging plan. In order to include a unit with curtailed capacity in the averaging plan, the old averaging capacity, determined from the average of the two ozone seasons prior to the capacity curtailment, shall be used to calculate the unit's contribution to the term FL. The new averaging capacity, determined from the enforceable permit revision, shall be multiplied by the owner assigned limit to calculate the contribution of the curtailed unit to the cumulative emission factor for the averaging group.

g. NO_x reductions from exempted point sources, as defined in Subsection C of this Section, may be used in a facility-wide averaging plan. If a unit exempted in Subsection C of this Section is included in an averaging plan, the term R_{ji} in Equation E-1 shall be established, in accordance with Subsection G of this Section, from a stack test that was performed before the NO_x reduction project was implemented and the term R_{ai} shall be established from the owner-assigned emission factor in accordance with Subsection E.1.a of this Section.

h. Solely for the purpose of calculating the facility-wide emission factor, the allowable emission factor (pound NO_x /MMBtu) for each affected stationary internal combustion engine is the applicable NO_x emission factor from Subsection D of this Section (g/Hp-hour) divided by the product of the engine manufacturer's rated heat rate (expressed in Btu/Hp-hour) at the engine's Hp rating and 454×10^{-6} .

i. The owner or operator of affected point sources complying with the requirements of this Subsection in accordance with an emissions averaging plan shall carry out recordkeeping that includes, but is not limited to, a record of the data on which the determination of each point source's hourly, daily, or 30-day, as appropriate, compliance with the facility-wide averaging plan is based.

2. Trading Plan. Trading is established in this Chapter as an alternate means of compliance with the emission factors from Subsection D of this Section. Within the Greater Baton Rouge NO_x Control Area, trading allowances, as defined in Subsection B of this Section, may be traded between affected facilities owned by different companies in accordance with the provisions of LAC 33:III.Chapter 6. The approval to use trading shall be requested in the permit application or in the optional compliance plan described in Subsection F.7 of this Section. A trading plan submitted under this provision shall be approved if the department determines that it will provide NO_x emission reductions equivalent to or more than that required by the emission factors of Subsection D of this Section and the plan establishes satisfactory means for determining ongoing compliance, including appropriate monitoring and recordkeeping requirements. Approval of trading plans by the administrative authority does not necessarily

indicate automatic approval of the administrator.

F. Permits

1. Authorization to Install and Operate NO_x Control Equipment

a. An owner or operator may obtain approval to install and operate NO_x control equipment that does not result in ammonia emissions above the minimum emission rate (MER) in LAC 33:III.Chapter 51 by submitting documentation in accordance with LAC 33:III.511. This documentation shall include an estimate of any carbon monoxide (CO), sulfur dioxide (SO₂), particulate matter (PM₁₀), and/or volatile organic compound (VOC) emission increases associated with the NO_x control technology. If approved, the administrative authority shall grant an authorization to construct and operate in accordance with LAC 33:III.501.C.3. Any appropriate permit revision reflecting the emission reduction shall be obtained no later than 180 days after commencement of operation and in accordance with the procedures of LAC 33:III.Chapter 5.

b. In accordance with LAC 33:III.511.C, installation of NO_x control equipment that results in ammonia emissions above the MER in LAC 33:III.Chapter 51 shall not commence until a permit or permit modification has been approved by the administrative authority. In accordance with LAC 33:III.5107.D.1, the administrative authority shall provide at least 30 days for public comment before issuing any such permit.

2. Alternatively to Subsection F.1.a of this Section, an owner or operator of an affected facility that is operating with a Louisiana air permit may submit a completed permit modification application for the changes proposed to comply with this Chapter.

3. Any owner or operator with an affected facility that has retained grandfathered status, as described in LAC 33:III.501.B.6, shall submit an application in accordance with LAC 33:III.501.C.1 for the changes proposed to comply with this Chapter.

4. Duty to Supplement. In accordance with LAC 33:III.517.C, if an owner or operator has a permit application on file with the department, but the department has not released the proposed permit, the applicant shall supplement the application as necessary to address this Chapter.

5. Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR) Considerations. A significant net emissions increase in CO, SO₂, PM₁₀, and/or VOC in accordance with LAC 33:III.504 or 509, that is a direct result of, and incidental to, the installation of NO_x control equipment or implementation of a NO_x control technique required to comply with the provisions of this Chapter shall be exempt from the requirements of LAC 33:III.509 and/or 504, as appropriate, provided the following conditions are met:

- a. the project shall not:
 - i. cause or contribute to a violation of the national ambient air quality standard (NAAQS); or
 - ii. adversely affect visibility or other air quality related value (AQRV) in a class I area;
- b. any increase in CO, SO₂, PM₁₀, and/or VOC emissions shall be:
 - i. quantified in the submittal required by Subsection F.1-4 of this Section; and
 - ii. tested in accordance with Subsection G of this Section, as applicable;

c. notwithstanding the requirements of Table 1 of LAC 33:III.504, any increase of VOC emissions at an affected facility located in a nonattainment parish shall be offset at a ratio of at least 1:1. Offsets shall be surplus, permanent, quantifiable, and federally enforceable and calculated in accordance with LAC 33:III.Chapter 6; and

d. a 30-day public comment period shall be provided in accordance with LAC 33:III.519.C prior to issuance of a permit or permit modification.

6. Increases above the MER in toxic air pollutant (TAP) emissions shall be subject to the applicable requirements of LAC 33:III.Chapter 51.

7. When pre-permit application approval of plans is desired by an owner or operator, a compliance plan may be submitted in accordance with this Subsection. The administrative authority shall approve the plan if it contains all of the required information to determine that the affected sources will be in compliance with this Chapter and is accurate. The compliance plan may address individual point sources, groups of point sources, or all point sources at the facility, as determined by the owner. The following information shall be submitted as appropriate:

a. the facility designation, as indicated by the identification number, submitted to the Office of Environmental Services, Permits Division;

b. a list of all units in the compliance plan, the emission point number as designated on the emission inventory questionnaire, the averaging capacity, and the maximum rated capacity;

c. identification of all combustion units with a claimed exemption in accordance with Subsection C of this Section, and the rule basis for the claimed exemption;

d. a list of any units that have been, or will be, curtailed or permanently shutdown;

e. for each unit, the actual emission factor that will be used to achieve compliance;

f. the control technology to be applied for each unit subject to control, and an anticipated construction schedule for each control device including the dates for completion of engineering, submission of permit applications, start and finish of construction, and initial start-up; and

g. the calculations to demonstrate that each unit will achieve the required NO_x emission rate.

G. Initial Demonstration of Compliance

1. Emissions testing to demonstrate initial compliance with the NO_x emission factors of Subsection D of this Section, or with emission limits that are part of an alternative plan under Subsection E of this Section, for affected point sources operating with a CEMS or PEMS that has been certified in accordance with Subsection H of this Section is not required. The certification of the CEMS or PEMS shall be considered demonstration of initial compliance. Testing for initial compliance is not required for an existing CEMS or PEMS that meets the requirements of Subsection H of this Section.

2. Emissions testing is required for all point sources that are subject to the emission limitations of Subsection D of this Section or used in one of the alternative plans of Subsection E of this Section. Test results must demonstrate that actual NO_x emissions are in compliance with the appropriate limits of this Chapter. As applicable, CO, SO₂, PM₁₀, oxygen

(O₂), NH₃, and VOC shall also be measured. Performance testing of these point sources shall be performed in accordance with the schedule specified in Subsection J of this Section.

3. The tests required by Subsection G.2 of this Section shall be performed by the test methods referenced in Subsection G.5 of this Section, except as approved by the administrative authority in accordance with Subsection G.7 of this Section. Test results shall be reported in the units of the applicable emission factors and for the corresponding averaging periods.

4. Emission testing conducted in the three years prior to the initial demonstration of compliance date may be used to demonstrate compliance with the limits of Subsection D or E of this Section, if the owner or operator demonstrates to the department that the prior testing meets the requirements of this Subsection. The request to waive emissions testing according to this Paragraph shall be included in the permit application. The department reserves the right to request performance testing or CEMS performance evaluation upon reasonable notice.

5. Compliance with the emission specifications of Subsection D or E of this Section for affected point sources operating without CEMS or PEMS shall be demonstrated while operating at the maximum rated capacity, or as near thereto as practicable. The stack tests shall be performed according to emissions testing guidelines located on the department website in the technology section. Three minimum one-hour tests shall be performed and the following methods from 40 CFR part 60, appendix A shall be used:

- a. Methods 1, 2, 3, and 4 or 19, with prior approval, for exhaust gas flow;
 - b. Method 3A or 20 for O₂;
 - c. Method 5 for PM;
 - d. Method 6C for SO₂;
 - e. Method 7E or 20 for NO_x;
 - f. Method 10 or 10A for CO;
 - g. Method 18 or 25A for VOC;
 - h. modified Method 5, or a department-approved equivalent, for NH₃;
- and/ or
- i. American Society of Testing and Materials (ASTM) Method D1945-96 or ASTM Method D2650-99 for fuel composition; ASTM Method D1826-94 or ASTM Method D3588-98 for calorific value.

6. All alternative or equivalent test methods, waivers, monitoring methods, testing and monitoring procedures, customized or correction factors, and alternatives to any design, equipment, work practices, or operational standards must be approved by both the administrative authority and the administrator, if applicable, before they become effective.

7. An owner or operator may request approval from the department for minor modifications to the test methods listed in Subsection G.5 of this Section, including alternative sampling locations and testing a subset of similar affected sources, prior to actual stack testing.

8. The information required in this Subsection shall be provided in accordance with the effective dates in Subsection J of this Section.

H. Continuous Demonstration of Compliance. After the initial demonstration of compliance required by Subsection G of this Section, continuous compliance with the emission

factors of Subsection D or E of this Section, as applicable, shall be demonstrated by the methods described in this Subsection. For any alternative method, the department's approval does not necessarily constitute compliance with all federal requirements nor eliminate the need for approval by the administrator.

1. The owner or operator of boilers that are subject to this Chapter and that have a maximum rated capacity that is equal to or greater than 80 MMBtu/hour shall demonstrate continuous compliance as follows:

a. for boilers with a maximum rated capacity less than 250

MMBtu/hour:

i. install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure fuel usage;

ii. install, calibrate, maintain, and operate an oxygen monitor to measure oxygen concentration; and

iii. in order to continuously demonstrate compliance with the NO_x limits of Subsection D or E of this Section, implement procedures to operate the boiler within the fuel and oxygen limits established during the initial compliance run in accordance with Subsection G of this Section; and

b. for boilers with a maximum rated capacity equal to or greater than 250 MMBtu/hour:

i. install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure gas and/or liquid fuel usage. For coal-fired boilers, belt scales or an equivalent device shall be provided;

ii. install, calibrate, maintain, and operate a diluent (either oxygen or carbon dioxide) monitor. The monitor shall meet all of the requirements of performance specification 3 of 40 CFR 60, appendix B;

iii. install, calibrate, maintain, and operate a NO_x CEMS to demonstrate continuous compliance with the NO_x emission factors of Subsection D or E of this Section, as applicable. The CEMS shall meet all of the requirements of 40 CFR part 60.13 and performance specification 2 of 40 CFR 60, appendix B; and

iv. install, calibrate, maintain, and operate a CO monitor. The monitor shall meet all of the requirements of performance specification 4 of 40 CFR 60, appendix B; or

v. alternatively to Subsection H.1.b. ii - iv of this Section, for demonstration of continuous compliance, the owner or operator may install, calibrate, certify, maintain, and operate a PEMS to predict NO_x, diluent (O₂ or CO₂), and CO emissions for each affected point source. As an alternative to using the PEMS to monitor diluent (O₂ or CO₂), a monitor for diluent according to Subsection H.1.b.ii of this Section or similar alternative method approved by the department may be used. The PEMS shall be certified while operating on primary boiler fuel and, separately, on any alternative fuel. The certification shall be in accordance with EPA documents, "Example Specifications and Test Procedures for Predictive Emission Monitoring Systems" and "Predictive Emission Monitoring System to Determine NO_x and CO Emissions from an Industrial Furnace" that are located on the EPA website in the emission monitoring section, both with posting dates of July 31, 1997; or

vi. alternatively to Subsection H.1.b.ii-iv of this Section, the owner or operator may request approval from the administrator for an alternative monitoring

plan that uses a fuel-oxygen operating window to demonstrate continuous compliance of NO_x and CO. The corners of the window shall be established during the initial compliance test required by Subsection G of this Section or similar testing at another time. The details for use of an alternative monitoring plan shall be submitted in the permit application or in the optional compliance plan described in Subsection F.7 of this Section. The plan shall become part of the facility permit and shall be federally enforceable.

2. The owner or operator of process heater/furnaces that are subject to this Chapter and that have a maximum rated capacity that is equal to or greater than 80 MMBtu/hour shall demonstrate continuous compliance as follows:

a. for process heater/furnaces with a maximum rated capacity less than 250 MMBtu/hour:

- i. install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure fuel usage;
- ii. install, calibrate, maintain, and operate an oxygen monitor to measure oxygen concentration; and
- iii. in order to continuously demonstrate compliance with the NO_x limits of Subsection D or E of this Section, implement procedures to operate the process heater/furnace within the fuel and oxygen limits established during the initial compliance run in accordance with Subsection G of this Section; and

b. for process heater/furnaces with a maximum rated capacity equal to or greater than 250 MMBtu/hour:

- i. install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure fuel usage;
- ii. install, certify, maintain, and operate an oxygen or carbon dioxide diluent monitor in accordance with the requirements of Subsection H.1.b.ii of this Section;
- iii. install, certify, maintain, and operate a NO_x CEMS in accordance with the requirements of Subsection H.1.b.iii of this Section; and
- iv. install, certify, maintain, and operate a CO monitor in accordance with the requirements of Subsection H.1.b.iv of this Section; or
- v. alternatively to Subsection H.2.b.ii - iv of this Section, the owner or operator may install, calibrate, certify, maintain, and operate a PEMS in accordance with the requirements of Subsection H.1.b.v of this Section; or
- vi. alternatively to Subsection H.2.b.ii-iv of this Section, the owner or operator may request approval from the department for an alternative monitoring plan that uses a fuel-oxygen operating window, or other system, to demonstrate continuous compliance of NO_x and CO. The corners of the window shall be established during the initial compliance test required by Subsection G of this Section or similar testing at another time. The details for use of an alternative monitoring plan shall be submitted in the permit application or in the optional compliance plan described in Subsection F.7 of this Section. The plan shall become part of the facility permit and shall be federally enforceable.

3. The owner or operator of stationary gas turbines that are subject to this Chapter and that have a megawatt rating based on heat input that is equal to or greater than 10 MW shall demonstrate continuous compliance as follows:

a. for stationary gas turbines with a megawatt rating based on heat

input less than 30 MW:

i. if the stationary gas turbine uses steam or water injection to comply with the NO_x emission factors, install, calibrate, maintain, and operate a continuous system to monitor and record the average hourly fuel and steam or water consumption and the water or steam to fuel ratio. To demonstrate continuous compliance with the appropriate emission factor, the stationary gas turbine shall be operated at the required steam-to-fuel or water-to-fuel ratio as determined during the initial compliance test; and

ii. for other stationary gas turbines, install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure fuel usage. Compliance with the emission factors of Subsection D or E of this Section shall be demonstrated by operating the turbine within the fuel limits established during the initial compliance run in accordance with Subsection G of this Section and by annual testing for NO_x and CO with an approved portable analyzer; or

iii. alternatively to Subsection H.3.a.i or ii of this Section, an owner or operator may choose to comply with the requirements of Subsection H.3.b.i-iv or v of this Section to demonstrate continuous compliance with the limits of Subsection D or E of this Section; and

b. for stationary gas turbines with a megawatt rating based on heat input of 30 MW or greater:

i. install, calibrate, maintain, and operate a totalizing fuel meter to continuously measure fuel usage;

ii. install, certify, maintain, and operate an oxygen or carbon dioxide diluent monitor in accordance with the requirements of Subsection H.1.b.ii of this Section;

iii. install, certify, maintain, and operate a NO_x CEMS in accordance with the requirements of Subsection H.1.b.iii of this Section; and

iv. install, certify, maintain, and operate a CO monitor in accordance with the requirements of Subsection H.1.b.iv of this Section; or

v. alternatively to Subsection H.3.b.ii – iv of this Section, the owner or operator may install, calibrate, certify, maintain, and operate a PEMS in accordance with the requirements of Subsection H.1.b.v of this Section; or

vi. alternatively to Subsection H.3.b.ii-iv of this Section, the owner or operator may request approval from the department for an alternative monitoring plan that complies with the provisions of Subsection H.3.a.i of this Section, if the turbine uses steam or water injection for compliance, or Subsection H.3.a.ii of this Section for other turbines. The alternative plan shall also require annual testing for NO_x and CO with an approved portable analyzer and triennial stack testing for NO_x and CO in accordance with the methods specified in Subsection G.5 of this Section. The details for use of an alternative monitoring plan shall be submitted in the permit application or in the optional compliance plan described in Subsection F.7 of this Section. The plan shall become part of the facility permit and shall be federally enforceable.

4. The owner or operator of stationary internal combustion engines that are subject to this Chapter and have a horsepower rating of 300 Hp or greater for rich-burn engines or 1500 Hp or greater for lean-burn engines shall demonstrate continuous compliance as follows:

a. install, calibrate, maintain, and operate a totalizing fuel meter to

continuously measure fuel usage and demonstrate continuous compliance by operating the engine within the fuel limits established during the initial compliance run and by annual testing for NO_x and CO with an approved portable analyzer and by triennial stack testing for NO_x and CO in accordance with the methods specified in Subsection G.5 of this Section; or

b. alternatively to Subsection H.4.a of this Section, an owner or operator may choose to comply with the requirements of Subsection H.3.b.i-iv or v of this Section to demonstrate continuous compliance with the limits of Subsection D or E of this Section.

5. A CEMS unit may be used to monitor multiple point sources provided that each source is sampled at least once every 15 minutes and the arrangement is approved by the department.

6. Existing instrumentation for any requirement in this Subsection shall be acceptable upon approval of the department.

7. For any affected point source that uses a chemical reagent for reduction of NO_x, a NO_x CEMS, in accordance with Subsection H.1.b.iii of this Section, and a CO monitor, in accordance with Subsection H.1.b.iv of this Section, shall be provided.

8. For boilers or process heater/furnaces that are covered by this Chapter, that discharge through a common stack, and where the combined heat input is greater than 250 MMBtu, a NO_x CEMS, in accordance with Subsection H.1.b.iii of this Section, and a CO monitor, in accordance with Subsection H.1.b.iv of this Section, shall be provided.

9. The owner or operator of any affected point source firing gaseous fuel for which a fuel multiplier from Subsection D.7 of this Section is used shall sample, analyze, and record the fuel gas composition on a daily basis or on an alternative schedule approved by the administrative authority. If an owner or operator desires to use an alternative sampling schedule, he shall specify a sampling frequency in his permit application and provide an explanation for the alternative schedule. Fuel gas analysis shall be performed according to the methods listed in Subsection G.5.g of this Section, or other methods that are approved by the department. A gaseous fuel stream containing 99 percent H₂ and/or CO by volume or greater may use the following procedure to be exempted from the sampling and analysis requirements of this Subsection:

a. a fuel gas analysis shall be performed initially using the test methods in Subsection G.5.g of this Section to demonstrate that the gaseous fuel stream is 99 percent H₂ and/or CO by volume or greater; and

b. the owner or operator shall certify that the fuel composition will continuously remain at 99 percent H₂ and/or CO by volume or greater during its use as a fuel to the point source.

10. All affected point sources that rely on periodic stack testing to demonstrate continuous compliance and use a catalyst to control NO_x emissions shall be tested after each occurrence of catalyst replacement. Portable analyzers shall be acceptable for this check. Documentation shall be maintained on-site, if practical, of the date, the person doing the test, and the test results. Documentation shall be made available for inspection upon request.

11. The owner or operator of any low ozone season capacity factor boiler or process heater/furnace for which an exemption is granted shall install, calibrate, and maintain a totalizing fuel meter, with instrumentation approved by the department, and keep a record of the fuel input for each affected point source during each ozone season. The owner or operator of any

boiler or process heater/furnace covered under this exemption shall notify the administrative authority within seven days if the Btu-per-ozone season limit is exceeded. If the Btu-per-ozone season limit is exceeded, the exemption shall be permanently withdrawn. Within 90 days after receipt of notification from the administrative authority of the loss of the exemption, the owner or operator shall submit a permit modification detailing how to meet the applicable emission factor as soon as possible, but no later than 24 months, after exceeding the Btu-per-ozone season limit. Included with this permit modification, the owner or operator shall submit a schedule of increments of progress for the installation of the required control equipment. This schedule shall be subject to the review and approval of the department.

12. The owner or operator of any affected point source that is granted an exemption for operating less than 400 hours during the ozone season shall install, calibrate, and maintain a nonresettable, elapsed run-time meter to record the operating time in order to demonstrate compliance. The owner or operator shall notify the administrative authority within seven days if the hours-per-ozone season limit is exceeded. If the hour-per-ozone season limit is exceeded, the exemption shall be permanently withdrawn. Within 90 days after receipt of notification from the administrative authority of the loss of the exemption, the owner or operator shall submit a permit modification detailing how to meet the applicable emission factor as soon as possible, but no later than 24 months, after exceeding the limit. Included with this permit modification, the owner or operator shall submit a schedule of increments of progress for the installation and operation of the required control equipment. This schedule shall be subject to the review and approval of the department.

I. Notification, Recordkeeping, and Reporting Requirements

1. The owner or operator of an affected point source shall notify the department at least 30 days prior to any compliance testing conducted under Subsection G of this Section and any CEMS or PEMS performance evaluation conducted under Subsection H of this Section in order to give the department an opportunity to conduct a pretest meeting and observe the emission testing. All necessary sampling ports and such other safe and proper sampling and testing facilities as required by LAC 33:III.913, or alternatives approved by the department, shall be provided for the testing. The test report shall be submitted to the department within 60 days after completing the testing.

2. The owner or operator of an affected point source required to demonstrate continuous compliance in accordance with Subsection H of this Section shall submit a written report within 90 days of the end of each quarter to the administrative authority for any noncompliance of the applicable emission limitations of Subsection D or E of this Section. The required information may be included in reports provided to the administrative authority to meet other requirements, so long as the report meets the deadlines and content requirements of this Paragraph. The report shall include the following information:

- a. description of the noncompliance;
- b. cause of the noncompliance;
- c. anticipated time that the noncompliance is expected to continue or, if corrected, the duration of the period of noncompliance; and
- d. steps taken to prevent recurrence of the noncompliance.

3. The owner or operator of an affected point source shall maintain records

of all continuous monitoring, performance test results, hours of operation, and fuel usage rates for each affected point source. Such records shall be kept for a period of at least five years and shall be made available upon request by authorized representatives of the department. The emission monitoring (as applicable) and fuel usage records for each affected point source shall be recorded and maintained:

- a. hourly for affected point sources complying with an emission factor on an hourly basis;
 - b. daily for affected point sources complying with an emission factor enforced on a daily average basis or on a 30-day rolling average basis; and
 - c. monthly for affected point sources exempt from the emission specifications based on ozone season heat input or hours of operation per ozone season.
4. The owner or operator shall maintain the following records:
- a. records for a facility-wide averaging plan in accordance with Subsection E.1.i of this Section;
 - b. records approved for a trading plan in accordance with Subsection E.2 of this Section; and
 - c. records in accordance with Subsections H.7, 8, 9, 10, 11, and 12 of this Section.
5. Ammonia emissions resulting from the operation of a NO_x control equipment system shall be reported annually in accordance with LAC 33:III.5107.A.

J. Effective Dates

1. The owner or operator of an affected facility shall modify and/or install and bring into normal operation NO_x control equipment and/or NO_x monitoring systems in accordance with this Chapter as expeditiously as possible, but by no later than May 1, 2005.
2. The owner or operator shall complete all initial compliance testing, specified by Subsection G of this Section, for equipment modified with NO_x reduction controls or a NO_x monitoring system to meet the provisions of this Chapter within 60 days of achieving normal production rate or after the end of the shake down period, but in no event later than 180 days after initial start-up. Required testing to demonstrate the performance of existing, unmodified equipment shall be completed in a timely manner, but by no later than November 1, 2005.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Environmental Assessment, Environmental Planning Division, LR 28: